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FISCAL YEAR 1984 BUDGET

HEARINGS

BEFORE THE

SELECT COMMITTEE ON INDIAN AFFAIRS
UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

FIRST SESSION

ON

THE FISCAL YEAR 1984 BUDGET

FEBRUARY 23, 24, AND 25, 1983
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FISCAL YEAR 1984 BUDGET

FEBRUARY 23, 1983

U.S. SENATE,
SELECT COMMITTEE ON INDIAN AFFAIRS,
Washington, D.C.

The committee met, pursuant to notice, at 2 p.m., in room 538, Dirksen Senate Office Building, Senator Mark Andrews (chairman) presiding.

Present: Senators Andrews, Goldwater, and Melcher.

Staff present: Paul Alexander, staff director and Peter Taylor, general counsel.

Senator ANDREWS. Ladies and gentlemen, today the Select Committee on Indian Affairs will begin 3 days of hearings on the Federal budget. Today our committee will hear from the Assistant Secretary for Indian Affairs, Ken Smith, on the proposed budget for the Bureau of Indian Affairs.

After Mr. Smith, we will hear from Casey Wichlacz, Director, Administration for Native Americans, Department of Health and Human Services.

Tomorrow, the committee will hear from the Department of Education's Office of Indian Education, the Department of Housing and Urban Development, and the Indian Health Service in the Department of Health and Human Services.

On Friday, February 25, the committee will conclude with testimony offered from a wide range of tribal groups and national Indian organizations which will address the impact of the budget on the tribes and Indian organizations.

Before calling on today's witnesses, I would like to inquire of my colleagues as to whether they have any remarks to make at this time.

If there are no comments, Mr. Secretary, we welcome you to the committee and will be glad to hear from you at this time.

STATEMENT OF KEN SMITH, ASSISTANT SECRETARY FOR INDIAN AFFAIRS, BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR, ACCOMPANIED BY JOHN FRITZ, DEPUTY ASSISTANT JOHN FRITZ, DEPUTY ASSISTANT SECRETARY, CHARLES HUGHES, DIRECTOR OF FINANCIAL MANAGEMENT, TED KRENZKE, DIRECTOR, INDIAN SERVICES, AND KEN ROSS, ACTING DIRECTOR, OFFICE OF INDIAN EDUCATION PROGRAMS

Mr. SMITH. First of all, Mr. Chairman, we are pleased to be here this afternoon to discuss the 1984 budget.

I have here with me at the witness table John Fritz who is deputy. He is the person who runs the day-to-day business at the

Bureau of Indian Affairs. I have also Chuck Hughes, our Director of Financial Management. Also, in our audience, we have several of our directors, and we may call upon them to answer any questions that you may have later on.

With the committee's permission, I would like to just briefly recap my written prepared statement that was submitted earlier today.

Senator ANDREWS. Without objection, that statement will be made a part of the record.

Mr. SMITH. We are requesting, in our 1984 budget authority, $1.4 billion of which $901 million is in Federal appropriations and $585.2 million is in permanent and trust funds. This request is approximately the same total funding for the operation of Indian programs that we had for 1983. The overall difference of our total budget is $53 million. However, the decrease is reflected in two major areas: No. 1, a $39-million reduction in roads construction funding, but our request does not reflect the $100 million the Bureau will be receiving from the Highway Trust Fund.

Senator GOLDWATER. Is that $100 million coming from the 5-cent tax?

Mr. SMITH. Yes. Naturally, we are losing $39 million in our appropriation and receiving $100 million from the Highway Trust Fund.

No. 2, our request also has a difference of $9.4 million in Johnson O'Malley education assistance funding, which was a 1983 one-time congressional add on for renovating former BIA schools transferred to Alaska in their State school system.

Speaking of schools, one of the major areas that we will probably be addressing in our up and coming budget hearings is this. We have proposed again to close some of our off-reservation boarding schools at the end of the 1982–83 school year. I am sure that you will have a lot of discussion about some of this, but through the years we have had a decline in enrollment at these schools.

At the beginning of the 1982 school year, we had a 70 percent occupancy rate in our 10 operating reservation boarding schools. By February of this year that occupancy rate had declined to 63 percent.

The operation of these off-reservation boarding schools is costing us about $33.5 million to educate 3,280 students, which is our current enrollment. So, if you had 10 of these and only a 63-percent occupancy rate and if they are costing you a lot of money, then we have to take a good look at them and review them. Our concern, naturally, is to make sure that we have options for students if we do close a school.

We are talking about two schools, one in Alaska and one in Utah, that we are planning on phasing out. These are Intermountain and Mt. Edgecumbe. We have no problem with them in the sense that we can absorb the total enrollment of those students in our existing system, so we do not have a problem of placing those students.

Our social services people tentatively, in a report that I have received—I might say that, I have not received the official report from our Department of Education, but I will be receiving it in a couple of weeks. Then I will be able to make a final decision, but I am now giving you some tentative thoughts and ideas that I have.

They tell me that we will not have a problem of placing the elementary students at Concho, so we will probably be looking to phase out that school. I have not made that final decision.

The only school that we have a problem with is Wahpeton. Of course, our chairman is very concerned about that school. At his recommendation, I did take a trip up there to look at it, first hand. I talked to some of the students and to some of the teachers and to the school principal. I was very impressed with the school. I think that the school itself is not our problem. It is whether we can place the students that are going to the school into their own communities and into other options so they may obtain quality education. I think that is our main concern.

Right now, we do have a concern in Wahpeton. I have not gathered all the facts, but hopefully, in the next 2 weeks, I will be receiving final recommendations and all the facts. I will be making a final decision then.

Senator ANDREWS. What you are saying, Mr. Secretary, is that you have, in fact, accepted the advice of this committee, which we gave to you last year when we pointed out to you that it seemed to be quite apparent that your people had not given you the proper background information, and that no study had been made as to what would happen to the children, and at what cost these children would be educated if these several and separate schools were shutdown. Your information just simply was not complete. As a matter of fact, the committee appreciated your candor—unusual for bureaucrats—in saying that they had given you lousy information, if any information at all.

What you are now saying is that you have instituted these studies and will be able to give the committee, within 1 week or 2, a definitive report as to what the alternates are to these schools and what will happen to the major concern this committee has for those children. That is why we have established the schools. Will you be able to give us a report on that within 1 week or 10 days?

Mr. SMITH. Mr. Chairman, as I understand it, I am supposed to receive the report in 2 weeks and probably it will not take me very long because I have tried to keep up with what is happening out there with all of our consultation and our fact gathering. I am sure that 2 or 3 days after I have received the report I will be able to make a final decision——

Senator ANDREWS. I am sure that I do not have to impress on you that one of the key things in maintaining those schools at the high level they are is to eliminate the confusion and the so-called sword that has been hanging over the heads of those dedicated employees as to whether they are going to be riffed or not.

Might I suggest then, that you make all maximum speed in formulating that decision so that we can resolve this?

Mr. SMITH. We will see if we can speed that process up. We are concerned about our employees, too. We have to give them adequate notice if we do plan to phase out some of these schools.

Senator GOLDWATER. How many total employees does the BIA have?

Mr. SMITH. Let me confer with my staff.

Mr. **Fritz**. Approximately 15,000.

Senator **Goldwater**. For how many total Indians are you administering programs?

Mr. **Fritz**. The service population for the Bureau of Indian Affairs is approximately 750,000 at this point.

Mr. **Smith**. These are on or adjacent to reservations.

Senator **Goldwater**. Thank you.

Senator **Andrews**. Your budget justification, while we are talking about overhead costs for the operations, projects an overhead cost reduction at $17.4 million. It is my understanding that the program and location distribution of the overhead reductions are tentative pending final decision on current initiatives.

What are the current initiatives that you have now under consideration? Does that mean that the reorganization proposal of a year ago has been abandoned?

Mr. **Smith**. No, it has not been completely abandoned. We are taking a look at what we did a year ago, and we are really trying to determine, that is, look at various concepts as to how we can restructure and how we can provide better services to Indian tribes.

As you know, more and more programs are being contracted to the tribes. As I understand it, in 1979 we were contracting about $159 million. In 1982, we are contracting $235 million. Hopefully, in 1983, we will increase that by 10 percent and hopefully in 1985 we will increase it substantially.

So, more and more programs are being contracted to tribes. We prefer tribal governments to take over Bureau programs. We should be reducing our work force and reducing our management and reducing our overhead. We should start drawing back as tribal governments are ready to take over the programs. That is our thrust. That is the direction that we want to move.

Senator **Andrews**. Will you consult with the tribes and the Congress before these initiatives are implemented?

Mr. **Smith**. Yes. We have plans for consulting not only with the Indian people but plans for consulting with people we deal with on the Hill.

Senator **Andrews**. we went around and around on that last year.

Mr. **Smith**. Right. We were trying to lay some strategy out as to how to do that. Right now, we want to talk about the concept. Once we discuss the concepts, we do not want to do any mechanical work at this particular time until we discuss how we are going to restructure and how we are going to provide better services to Indians.

Then once we mutually agree with the Indian governments, we will proceed on where the offices are going to be and what offices we are going to pull back from, and so forth. But I think we have to discuss the concepts first.

Senator **Andrews**. A year ago, you were giving considerable emphasis to converting 638 contracts to grants. It appears that you have now had second thoughts as to the wisdom of converting to a grant process.

Mr. **Smith**. Yes.

Senator **Andrews**. What is the current status of that?

Mr. **Smith**. The current status is this. I think our solicitors are taking a look at the legal opinion that was handed down to us that indicated that we had to comply with the 224 legislation that set up the granting mechanism and the cooperative agreement mechanism. Of course, 638 indicates that we should be using contracts.

We have consulted and dealt with Indian tribes, and we have received well over 100 responses. Most of those responses said that they do not prefer the grants and the cooperative agreements but that they prefer to continue with the 638 contracts.

After reviewing that feedback, we reviewed our position, and we have asked our solicitors to review their legal opinion, Hopefully, we can continue contracting with tribes.

I think it is the type of agreement that we want to go into with tribes. Whether you call it a contract, a grant, or a cooperative agreement is immaterial for me.

I think the main purpose is how best do we turn over programs to tribes, and what type of a document would they want to see. They are saying that they want to enter into contracts rather than grants. So, that is the direction that we are moving.

Senator **Andrews**. Has there been any significant increase in 638 contracts by the tribes over the past year?

Mr. **Smith**. Yes, there has been.

Senator **Andrews**. Have you been able to identify any savings in this type of contracting by the tribes?

Mr. **Smith**. Well, not right now. I think the savings are going to be longterm. Naturally, it costs probably a few more dollars at the beginning when you enter into a contract because you have to pay contract overhead on these contracts. Contract overhead varies from 5 percent to some which go quite a ways up. I think an average is in the 20-percent range. So, we have to add on 20 percent to our programmatic contract.

Senator **Andrews**. In our hearings last year, there were complaints from tribal witnesses about the shortfall in Federal funding to pay indirect costs incurred in administering programs contracted from the Bureau. Witnesses from the Bureau assured the committee that steps were being taken to address this problem.

What progress have you made in resolving this problem and do you have any provision in the budget to address this problem?

Mr. **Smith**. Yes.

Senator **Andrews**. Or, have you made so much progress that you do not need to make more?

Mr. **Smith**. I used to be on the other side of the fence 2 or 3 years ago. Now I am on this side of the fence, so I guess I have to defend it.

I have Ted Krenzke at the table here. He is in charge of Indian Services.

Senator **Andrews**. Can you quantify the progress you have made?

Mr. **Krenzke**. Basically we had an oversight hearing. You will probably recall last summer, when we reported that we had in our hands a recommendation to address what was felt to be the major problem in this contract support difficulty which was tying the allocation of contract support funds to the indirect-cost rates established by the Inspector General's Office.

Since that time, Mr. Smith has made a decision to accept the recommendation of that report and to move toward tying the distribution of contract support funds to the relative overhead costs that the Bureau would incur, had it been operating the program.

We are in the process of implementing that at the present time. It is going to be a fairly complex procedure to develop essentially a formula that relates to this. We have had requests for proposals for a contract to assist us in making this determination advertised, and that particular request for a proposal closes this Friday. We expect to be able to implement this in part in fiscal 1984 and in accord with the conference report of the appropriations committees last December. We expect then that this will be reflected in the budget for fiscal year 1985.

I think that there are a couple of other things that are pertinent to this situation in relationship to the specific shortfall of fiscal year 1982 which you mentioned in your opening question. We were able to achieve some overall savings within the Bureau through reprograming, which essentially, probably reached 97 to 98 percent of the total need for contract support in fiscal year 1982.

Also, another identified difficulty has to do with the so-called theoretical over recovery, under recovery problem that the tribes have had. I think that considerable progress in that respect has been made, particularly by some good cooperation that we have received from the Interior Department's Inspector General's Office. They have been able to work with some of the tribes that have experienced difficulty in this respect in using the different cost application theory in terms of what they call a "Lump-sum" arrangement.

So, it is a tremendously complex issue, but I think, yes, progress has been made. We have specific steps outlined to continue to address the problem. I think we will be pretty well on top of it by the end of this fiscal year and going into fiscal year 1984.

Senator ANDREWS. It is a matter of considerable interest to us, so if you can please keep us updated on it. It is the committee's intention to have oversight hearings in this area so we can ascertain the real facts.

Mr. Smith?

Mr. SMITH. Mr. Chairman, I might add that our budget for 1984 shows about a 10-percent increase in contract support funds, about a $3.2 million increase.

Senator ANDREWS. We are nudging you in the right direction.

Mr. SMITH. Right.

Senator ANDREWS. The Senator from Arizona mentioned how many more you had at the BIA than you had on the reservations. That got us off on this tangent, so if you have more of your testimony to give please go right ahead.

Mr. SMITH. Yes. I think we got a little sidetracked. I cannot remember exactly where I was, but I do want to talk a little bit about the philosophy that we used. I think I already mentioned some of our philosophy and the direction that we are moving.

About a year ago when I was confirmed, I talked a little bit about my philosophy. Right now, I have that same general philosophy, and I think it has been adopted in the new policy we have in the administration. President Reagan announced a new policy in January, which really dealt with a government-to-government relationship. We will support the governments, and we will strengthen those governments. The announcement also dealt with the economic development and how we can increase the economies on reservations. I think those are the two key items that the policy addresses.

If you look through our budget, I think you will find that we have emphasized those two particular areas. If you look at our self-determination grants, you will find that we have programed $60.2 million for self-determination services which is an increase of $7.3 million over 1983 appropriations. We are requesting $65.5 million in economic development in employment programs, an increase of $6.2 million over our 1983 request.

So, you can see that we are giving those a lot of attention because I think those are the keys. You have to build on a foundation, and that foundation is tribal government, not more Federal Government. It should be tribal government.

The other one is, how do we improve the economies on reservations and how do we assist tribes to be able to improve their economies.

So, those are two key areas that we are working on.

Senator GOLDWATER [acting chairman]. One of the key areas is to create an atmosphere on reservations that will attract businesses to come and take advantage of the labor that is there. The biggest problem I think that the Indians have is unemployment. It is not necessarily unemployment that can be attributed to lack of education, but it is just a lack in the ability of the tribal governments in being able to get any type of businesses to come to the reservations.

In this respect, does your experience show that tribal governments are looking more on their own without the constant commenting of the Bureau of Indian Affairs and that they can do a better job than the Federal Government?

Mr. SMITH. I think a lot of our tribal governments out in Indian country are good. We have good leadership in Indian country. It is getting more sophisticated. I think I could name quite a few tribes that probably could do a lot better job than the Bureau of Indian Affairs.

There are tribes out there that need our support and assistance. We have a variety of tribes. But, I think there are tribes which can do a lot better job than what we are doing for them.

Senator GOLDWATER. I am thinking about the tribes that have retained their own tribal identity, their own languages, their own religion, their own culture. They have resisted the attempts made by many Indians to become white people. They want to be Indian.

I would like to think that the Federal Government would understand that it is not a very easy matter for the tribal government to go off on their own. For example, I am thinking of the relationship of the Navajo to the BIA. I think many tribes in this country could operate in that manner with a minimum of interference by the BIA. Would you agree?

Mr. SMITH. You spoke, Senator, of the Navajo. It is under new leadership, and there is a new chairman there. We want to work with him. We are hoping that he can take over more of the Bureau programs as he gets on his feet and decides, really, what he wants to do.

I can see Navajo no different than another State in the Union. I think they are large enough. They have enough land.

Senator GOLDWATER. Maybe I picked the wrong tribe. The great majority of all are Navajo. It is the biggest reservation and the biggest tribe. I do not want to be the parochial, but I am thinking of the Colorado River Tribe which is well governed. I see no reason that the BIA has to continue to add their superficiality to what they are able to do by themselves.

Mr. SMITH. Senator, I agree with you. We have those tribes. Of course, it is a decision of the local government. We would prefer they would go that way. We prefer that they contract more of their programs.

I would rather eliminate Federal employees on reservations and let tribal governments take over. Of course, we would still have the responsibility of protecting the land and the resources.

Senator GOLDWATER. I think we would be better off it we left it to the Indians and let the BIA stay here in Washington.

Mr. SMITH. I agree with you, Senator. I think that is the direction that we want to move.

Senator GOLDWATER. Thank you.

Mr. SMITH. We keep on going off on tangents, but I think we have had some fruitful discussion here.

Senator ANDREWS [reassumes chair]. Of course, we have your total statement in the record, and we have already inserted it. But now we can have at you with questions.

Mr. SMITH. Mr. Chairman, I think I have covered most of the things that our discussion was to cover initially. We talked about our realinement. As you know, in our 1983 appropriation we had an $8-million overhead and management reduction to be achieved in one-half a year. Our 1984 request estimates $17.4 million savings for a full year. So, this is where the $8 million comes in, which was mandated, and, of course, last year we asked for $16 million reduction.

Congress gave us $8 million back and took away $8 million, but it is based upon pretty much a half a year basis. If you annualize that, it amounts to almost $17.4 million for a full year. This means that we are going to have to take a good look at our organization to see where we can pull back and reduce and still do a good job out there.

I might add, Mr. Chairman, that our 1984 request shows that funding for tribal-agency operation is $277 million, increasing by $7 million over our 1983 appropriation and by $39 million over our 1982 appropriation. These are the programs which are subject to tribal priorities. So, again we are trying to increase the local base and decrease the central office and the area offices. That has been our thrust.

With that, Mr. Chairman, I think I could respond to any questions you may have.

Senator ANDREWS. Mr. Secretary, the American Indian and Alaskan Native populations are the fastest growing population segments of the United States with a 2.3-percent annual increase. In light of this fact, how do you justify, in your budget request, a reduced student average daily membership?

Mr. SMITH. This is in Alaska?

Senator ANDREWS. Yes.

Mr. SMITH. As you know, we have had a policy in Alaska of moving toward——

Senator ANDREWS. You must realize that in this Congress you will probably hear more about Alaska.

Mr. SMITH. Right.

Senator ANDREWS. Not just Arizona and North Dakota.

Mr. SMITH. The State and the Bureau made an agreement several years ago that we would convert to a one-school system. The State was starting to build the schools in the rural areas. We did not have the money. And, this is the direction we were moving. Through the years we have converted a number of schools. Last year in our budget we converted 17 schools that we transferred over to the State.

We still have 20 day schools in Alaska still operated by the Bureau, and one or two of those may be contract schools. I am not sure.

But we have 20 school facilities that we still fund. As you know, we are planning to phase out Mount Edgecumbe. So, their enrollment is declining for the budget justification that we are giving you because we are operating less and less facilities.

Senator ANDREWS. Earlier on, Mr. Secretary, we talked about the schools that have been recommended for closure and the fact that you had, indeed, been reexamining those schools and, in fact, had made some personal visits to those schools to ascertain just what the situation was with respect to the students in those schools.

If it is decided that one or more of these schools shall remain open, where are you going to get the funds?

Mr. SMITH. Well, at this point we would have to absorb those particular schools. If we are going to have to come up with $2 million, then we are going to have to go through our budget and find out where we can take away $2 million and add to it, which may mean that we will have to come back for reprograming or whatever.

Senator ANDREWS. You might even come back for reprograming or be involved in a supplemental later on?

Mr. SMITH. Yes.

Senator ANDREWS. Are you ready to do that?

Mr. SMITH. At this point, I think we have to stand by the bottom line. My first recommendation would be to absorb the cost and ask for an amendment.

Senator ANDREWS. Now, how does the loss of title IV programs—so far A, B, and C—at the Department of Education affect the educational programs at BIA?

Mr. SMITH. Well, Mr. Chairman, I think we have our Acting Director of Education, and I think he can better respond to that particular question. He is Ken Ross.

Mr. ROSS. Mr Chairman and Senator Goldwater, in looking at the direct impact on the Bureau of Indian Affairs, we have not programed for the total elimination of the title IV program within the Department of the Interior, but within the Office of Indian Education programs. The impacts that will be felt, based on the proposal to eliminate all of title IV in the Office of Education, are that for those public schools educating 10 or more Indian children, primarily the majority of those will be located off of Indian reservations.

The children affected are primarily urban Indian children, of which a portion of those are children which the Bureau services through the Johnson O'Malley program. That is in the part A section of title IV.

Also, in part A of title IV, there will be 20 schools which are tribal contract schools which are eligible to receive part A grant assistance or discretionary assistance. In those 20 schools there are presently 22 programs being funded at $3,519,070 or approximately an average of $1,091 per student in those contract schools who will be impacted.

Additionally, in part B the teacher training technical assistance centers, of which there are presently five, if I am not mistaken, will be eliminated. Pilot and demonstration projects, primarily in the area of cultural enrichment and curriculum development, will be reduced.

Additionally, part B includes fellowships for graduate study in the specific areas of law, medicine, health, engineering, business administration, education, and natural resources. The Bureau of Indian Affairs has a comparable program in the Special Higher Education Section of the Bureau's budget that covers those same areas. But there will be approximately 133 fellowships that are currently being funded out of that $1.3 million that will either have to be absorbed in competition with the other available scholarship assistance programs through OE and through the Bureau of Indian Affairs.

Under part C, the impact will be felt in adult education, approximately to $3,365,000.

Senator ANDREWS. Is Johnson O'Malley duplicating title IV, part A? A recent GAO report indicated that it did not. Do you agree with that report?

Mr. ROSS. I would agree with the report that came from the General Accounting Office. In general, title IV is not duplicating the kinds of services that are being provided by the Johnson O'Malley program. There are some exceptions to that general rule that have been pointed out in that GAO report, and we have attempted to work with the Office of Education in assuring them that that duplication is minimal.

Senator ANDREWS. But you think you can lay that old dog to rest?

Mr. ROSS. I believe so, yes.

Senator ANDREWS. The Indian Health Care Improvement Act provided scholarships for Indian students entering the health-related fields. This program is also scheduled for termination. Will the BIA seek supplemental funding to underwrite this program or a program similar to it?

Mr. ROSS. We have the authority to fund health-related postgraduate work.

Senator ANDREWS. I know you have the authority. That is why I asked whether you would use it.

Mr. ROSS. Yes.

Senator ANDREWS. Do you intend to use it?

Mr. ROSS. In terms of those individuals who would apply desiring health post-graduate assistance, yes.

Senator **ANDREWS**. In other words, we are going to expect that BIA will find resources, techniques, and tactics, so that the young Indian who wants to pursue a course in education, in medicine, or a health-related field will be able to do so.

Mr. **SMITH**. Mr. Chairman, I think we would have to operate within existing resources which we do have. Again, we would have to take a look at some of our other programs——

Senator **ANDREWS**. Do not hesitate. He gave the right answer in the first place.

I am getting sick and tired of these guys down at OMB who know nothing from nothing, saying that this kind of health care training is not important. I cannot think of anything better than to get the educationally qualified young Indian into a type of program like this, where he can graduate as a doctor or a paramedic and go back and serve his own people on or near the reservation. I think it is fantastic. I think it is idiotic that they are cutting it out. That is why I asked the question.

I know that you have the authority. I would hope that you would use that authority. He gave the right answer, so do not louse it up. We will be interested in watching down the line to see what you can do to get around that one.

Is it not a fact that in the past, the BIA has placed health-related education in low priority because of the health manpower program in the Indian Health Service?

Mr. **SMITH**. I am not aware of that, Mr. Chairman.

Senator **ANDREWS**. And, it this program is terminated—that is, the Indian Health Service—then how will that affect your program at the BIA?

The problem on this committee is that we look at why you are changing these programs, and sometimes we think you are backing away from them because you think that they are covered over here. Then when they remove your clothes over here, we do not want you to get your tail pulled in the original position. So, we are trying to find out if part of the decision on this health-related education question is because you felt it was being handled under the Indian Health Service. And, if so, you did not have to handle it under your regular BIA situation.

Now that that has been cut back, would that indicate that you have to pick it up in a normal BIA education program?

Mr. **SMITH**. Well, that would be a possibility, Mr. Chairman. Of course, we would have to evaluate again with what resources we have.

Senator **ANDREWS**. Have you evaluated?

Mr. **SMITH**. Not at this point, no. We can look at our alternatives and at what our options are.

Senator **ANDREWS**. Does the BIA and the Department of Education and the Indian Health Service coordinate efforts in providing educational assistance to Indian students?

Mr. **SMITH**. We should be coordinating our programs a lot better.

Senator **ANDREWS**. The expression on your face shows the answer I will get.

Are you making efforts in your capacity to try to get some better coordination?

Mr. **Smith**. Yes. We are meeting more regularly with some of the other agencies, and we can better coordinate our operations so that we are not stepping over each other and not duplicating some of our programs.

Senator **Andrews**. Last year the BIA budget justification anticipated the transfer of the title IV programs to BIA. The fiscal 1984 budgets for the BIA and the Department of Education do not reflect this. What are your current plans in this area?

Mr. **Smith**. Our current plans are just to provide programs that we have been providing. We have no plans this year—at least in our 1984 proposals—about accepting any new responsibilities of the Department of Education.

Senator **Andrews**. Last year you were going to absorb that.

Mr. **Smith**. Yes. It was in our budget last year.

Senator **Andrews**. But it is not now.

Mr. **Smith**. We look to the Department of Education to justify that transfer rather than our trying to justify the transfer.

Senator **Andrews**. The only trouble is that they have cut it out over there, and you have not accepted it. Where does the foundling go?

As I understand it, they have cut it out again, and you have not written it in to your budget.

Mr. **Smith**. As I understand it, they are getting out of business in the Department of Education.

Senator **Andrews**. The impression that the chairman gets, backed up by staff—I am not out on a limb by myself—is that last year they chopped off title IV and you absorbed it and you got some restored back to the Department of Education. Now they have chopped that off again, but you are not picking it up.

Mr. **Smith**. Last year they were going to transfer, as I understand it, the total program to the Bureau of Indian Affairs. Then they added an amount into our budget and depleted it over at the Department of Education.

Senator **Andrews**. But the transfer was never officially brought up.

Mr. **Smith**. No. No; it was not. I think it died.

Senator **Andrews**. I am afraid the whole concept may die. If nobody is going to catch that ball, then it is going to fall all by itself.

Mr. **Smith**. I think last year they were looking at disassembling the Department of Education, and that did not fly so this went back into the Department of Education.

Mr. **Ross**. It is my understanding that there is an appreciable increase in Federal impact aid under 81-874. Those funds will be released to those super-impact districts in the public school area where the majority of public schoolchildren are now being served. With that increase, some of the services that were being provided by title IV could be absorbed under the 874 program, provided that the policies that were developed by the local school boards on active consultation with tribes and parents in terms of the delivery and the expenditure of those impact aid moneys are adhered to.

Senator **Andrews**. The projected unit cost for general assistance for fiscal 1984 is $74.23 per person, per month. That is under general assistance. This is less than the cost of fiscal 1981 and substantially less than the fiscal 1982 unit cost of $79.23.

You seem to be running the inflationary factor backwards, which is totally different than any other Government agency. I do not know whether you have some different kind of justification or not, but your justification for the projection is a $4 million savings by adhering to State practices of reducing general assistance to less than the needs set by State law. That, again looks like kind of a magic piece of phraseology that intrigued this committee.

Could you supply us with the breakdown of the anticipated savings from each of the States served by the BIA general assistance program? I would like that breakdown to show: No. 1, the number of persons in each State who will be served; No. 2, the standard of need established by the State, pursuant to the Social Security Act; and, No. 3, the actual level of payment by the State.

We will leave the record open to receive that information.

[Subsequent to the hearing the following information was received for the record:]

Question. In the category of General Assistance, I would note that the budget justification projects a very light increase in the caseload for fiscal year 1984—from 63,932 persons per month to 64,969. This projection seems to be somewhat optimistic in light of the express concern of unemployed Indians returning to their reservation. Are you confident of these figures? Please explain.

Answer. Yes, we feel reasonably comfortable with the estimated 1,037 increase in caseload. This is based on the substantial increase of 6,840 in fiscal year 1982 over fiscal year 1981, a period in which we believe the maximum potential caseload developed because of the reductions in other programs and the economic conditions.

Question. I would also note that the projected unit cost per person is disturbing. The projected cost of fiscal year 1984 is $74.23 per person per month. This is less than the cost of fiscal year 1981 and substantially less that the fiscal year 1982 unit cost of $79.23. The justification for this projection is a $4 million saving to be achieved by adhering to state practices of reducing general assistance to less than the needs set by state law. Could you supply this committee with a breakdown of the anticipated savings from each of the states served by the BIA general assistance program? I would like this breakdown to show: (1) the number of persons from each state that will be served: (2) the standard of need established by the State pursuant to the Social Security Act; and (3) the actual level of payment by the State.

Answer: Please see attached Analysis and Issue Paper regarding the issue of the ratable reduction. However, of special note since both this anaylsis and the budget justification were prepared, the State of Arizona which accounts for an estimated $2.5 million of the savings has increased their payment level to 100 percent of need, therefore offsetting the estimated savings. When the Congress imposed this requirement on the Bureau (Conference Committee Report No. 97-315) another variable was created in the estimating of General Assistance funding. Thsese ratable reductions in state payment levels are simply not predictable with any degree of reliability. Therefore, we have no absolute means of predicting that during fiscal year 1984 there will be such savings.

DIVISION OF SOCIAL SERVICES

Analysis and issue paper

1. *General Assistance—rateable reduction in payments*—Six (6) of the fifteen (15) states where BIA provides general assistance impose a rateable reduction on their public assistance (AFDC) standard. They are (for a family of three):

	AFDC need standard	Actual benefit level	Percent of need
State:			
Arizona	$233	$202.00	86.7
Idaho	570	313.50	55

	AFDC need standard	Actual benefit level	Percent of need
State—Continued			
Maine	415	310.00	72.5
Mississippi	220	96.00	43.6
Nevada	285	241.00	84.6
North Carolina	384	192.00	50

Based upon the above standards, BIA could have saved an estimated $3,484,895 in fiscal year 1981 general assistance expenditures had it imposed similar rateable reductions instead of paying a full standard of assistance in each of these states. This is summarized as follows:

FISCAL YEAR 1981

	BIA actual cost	Estimated cost (rateable reduction)	Estimated savings
State:			
Arizona	$18,394,569	$15,948,091	$2,446,477
Idaho	367,436	202,090	165,346
Maine	475,179	344,505	130,674
Mississippi	953,547	415,746	537,800
Nevada	928,873	785,827	143,046
North Carolina	123,103	61,551	61,552
Total	21,242,707	17,757,810	[1] 3,484,895

[1] 6.59 percent of total GA expenditure of $52,886,519.

Please note that in imposing rateable reductions, the states have a variety of options which they may exercise at any given time. This in turn makes it almost impossible to predict what savings BIA might really incur if it attempted a straight forward implementation of various state rateable reductions at face value. For instance, many states apply rateable reductions more heavily during the latter part of a given fiscal year in order to control expenditures. The first part of the fiscal year, they may pay full or near full standard. Also, the Omnibus Budget Reconciliation Act of 1981 reduced the Federal matching provision for state AFDC expenditures made after September 30, 1981. The basic purpose was to reduce benefits and federal expenditures. However, several states already had their state appropriations for their share in costs for the AFDC program, and found a "loophole" in the Act's provisions whereby they could increase their state standards utilizing the anticipated federal savings to cover the additional costs under the percentage matching formula without incurring any increased state spending. Therefore, a number of states have increased their state standards the past few months and employed the percentage rateable reduction method to the actual payment level. However, when Congress closes this "loophole" and state legislatures consider future state appropriations to cover state shares, we expect to see more full standard of need payment levels.

Before implementing a rateable reduction as per state program, the BIA would be required to publish this as a proposed action in the Federal Register and subsequently to publish it as final rulemaking.

Senator **Andrews**. You can understand why those comments are made and why those figures intrigue us.

I also note that the general assistance caseload jumped from 55,642 in fiscal 1981 to 62,482 in fiscal 1982 with further slight increases estimated for 1983 and 1984.

In light of the statement that Indians who have lost jobs are returning to the reservations, do you consider this caseload projection to be realistic?

If these figures are accurate: No. 1, Indians are not moving back to the reservations; and, No. 2, you are a very small island in an overall country of growing unemployment and other problems because your figures do not seem to be showing it on the reservations. That is something unusual, too. You must have some justification for that.

Mr. **Krenzke**. In terms of your first question, we will provide that information for the record, Senator.

In connection with that, I would just like to make a couple of comments. Between 1981 and fiscal year 1984, the Bureau of Indian Affairs' general assistance program has been eliminated in Alaska which was a farily high-cost State so that was one of the factors.

The other factor is the rate of reduction which you mentioned. We will provide that information for the record.

Senator **Andrews**. The caseload showed a little bit better than 10 percent jump between fiscal 1981–1982 and then it plateaued out in 1983 and 1984. If you drop Alaska off—if we can find out what those figures are——

Mr. **Krenzke**. In terms of some of the numbers, the Alaska factor is still a factor in there, and we anticipate that the larger increase would be, that is, it was from 1981 to 1982 and 1982 to 1983 with a leveling off from 1983 to 1984. All of it has been tempered by the fact that we no longer operate in Alaska.

Senator **Andrews**. Under the social services budget, you are projecting a decrease in funding for this activity in fiscal 1984 over 1983. You propose to decrease the funding for Indian children, that is, for Indian Child Welfare grants by $2 million from $9.7 million to $7.7 million which is close to a 23- or 24-percent cut.

This savings is to be achieved by eliminating funding for all off-reservation programs. It is my understanding that studies of these off-reservation programs have concluded that many of these programs are providing valuable services to families and children, who are members of federally recognized tribes, by providing counseling and serving as liaison between State and local authorities and tribal courts and so on.

One who conducted one of these studies concluded that these off-reservation programs provide a valuable service for tribal governments as well as to affect families.

I have a letter from Tom Clary who came to this conclusion, and I will place that in the record at this point.

[The letter follows:]

The Clary Institute, Inc.,
October 12, 1982.

Mr. Pete Taylor,
U.S. Senate Select Committee on Indian Affairs,
Washington, D.C. 20510

Dear Pete: Thank you for speaking at the National American Indian Court Judges Assn. Training session on "Working Together for Indian Children and Families." I enjoyed the opportunity to have lunch with you and discuss some aspects of the implementation of the Indian Child Welfare Act.

As you know over the past two years the Bureau of Indian Affairs has contracted with us to evaluate the monitoring of the ICWA grants and to assemble a register of model ICWA grant programs funded under Title II of Public Law 95–608.

In this latter project we surveyed grantees both on and off reservations. Our findings changed some of my previous attitudes. I have long been a supporter of tribal governments and have viewed urban Indian centers as organizations which only diminish funding which should rightfully go to tribal governments.

However, during our survey of urban Indian centers in connection with the administration of the Indian Child Welfare Act, I found them to be of a great assistance to the tribes. Many tribal children run away to urban areas. These urban areas are also the places where the courts are usually located as well as the state social services personnel. As a result, we found the urban centers acting for the tribes in many instances. The center social worker coordinated actions with the tribal social worker and became an "on-the-spot" representative for the tribe. This often saved the tribal social worker money and time, as this saved traveling to the urban area for proceedings. The same is true in those cases where the urban center had attorneys who acted in the interest of the tribe.

As a result of this type of savings, I feel the urban Indian centers, where they provide direct assistance to the tribes, should continue to be funded by BIA under the Indian Child Welfare Act. It would be ideal if tribes would form a consortium to fund these urban centers, so they could control them. However, I am practical enough to know that there are so many tribal needs that it would be politically unwise for a tribal leader to take money from tribal funds to fund these centers. For this reason, I believe that it is wise that BIA continue to fund urban Indian centers *when* they show that they will provide this special service to the tribal government and the children and families whose residence is on reservations or Indian lands. I refer to those tribal governments which are federally recognized.

I hope this explanation of my position is helpful.

Sincerely,

THOMAS C. CLARY, Ph. D.,
President.

Senator ANDREWS. In light of these findings and particularly in light of the stated objective of this administration and of you, Mr. Secretary, that one of the overall goals of BIA policy in this country should be to move the native Americans into the overall social economic structure of the country, then why do we move toward removing what important structures they have that might encourage them to continue progress off reservation? That is, for those who are inclined to do that?

That is just one more obstacle, you might say, that we are going to put back up in their face. This flies in the face of what I thought was the objective of this administration and you.

Mr. SMITH. Well, let me try to respond to a part of that and maybe Mr. Krenzke can end it up with further thoughts about that.

First of all, our policy and most of our programs deal with Indian reservations. With our new thrust and our new policy, we deal with local governments. We would prefer to continue, if at all possible, to deal with local governments.

If local governments want to give up part of their funding to provide these types of services, then we think it should be their decision rather than our decision. Also, with a very lean budget, we have to lay some priorities down and decide what to pull back on and what to fund. Right now, we are leaning more to funding tribal governments rather than providing services in the rural areas.

So, generally that is where we are coming from. It was a tough decision. I think it is a worthwhile project, but with a lean budget I think we have to set some priorities.

Senator ANDREWS. If you are trying to service Indians where they are and if you are trying to encourage them to move into the society as a whole and if you pull that service away, then do you not almost force them to go back to the reservation? You sure as heck do not encourage them to stay off and continue to make that break.

I ran into one of those decisions 20-some-odd years ago. I was a very young Member of Congress. I was just learning about the bureaucracy. I happened to be on the Indian Affairs Subcommittee over in the other body. A delightful individual by the name of Jim Hailey was my chairman. Jim probably had a heart as big as all out of doors. He really cared deeply.

He came out to North Dakota and went with me to four or five reservations. The two of us were appalled at one reservation where we interviewed a young man who was 30 years old and had five children and was on welfare. He had been educated by one of the BIA programs as a welder. In fact, they found a job for him out in California. He had been out there working for a few years and doing a good job.

Then he had a couple of kids, and they were in school and everybody was making a good adjustment. His mother died and he came back to the reservation for the funeral. You know the condition better than I do.

What he had was gone by the time the ceremony and all of the rest was over. There he was, a week after his mother was buried, with his wife and his two children and no money for a bus ticket to get back to the job in California.

He was told by the BIA:

> Tough. We already settled you out there once; we aren't going to settle you out there again.

Four years and three children later, he was still on the reservation being paid monthly benefits not nearly as good as the salary he would have gotten if he had gone back to California.

This was my first example of the tender-loving care of the BIA operating under the rules that they had. It was self-defeating as far as saving taxpayers' money, and it is the same kind of thing that if an Indian needs help in making the break off the reservation and if he is still a bona fide member of the tribe, then what is wrong with providing some of the service there so you do not force him to, as they say, "go back to the blanket."

Why can't we use some of our good judgment and help create this halfway house, if that is what it is?

Mr. SMITH. I think that is a good point, Senator. I cannot argue with your rationale and the point that you made.

I think what we are trying to do is that we would prefer local governments to make that decision rather than the Federal Government.

Senator ANDREWS. The last thing in the world that the local government of Minneapolis, Minn. is going to be budgeting funds for, are the people who might move from the reservation to Wisconsin or North Dakota or northern Minnesota and come down into Minneapolis and have some needs there. They could care less.

The easiest thing for that big-city government to do is to portion funds somewhere else and tell the Indian people to go back to the reservation and not to look to them for solutions. That is not right. That is not a good investment. It does not make sense from an individual humanitarian sense.

Mr. SMITH. When I indicated local government, I was referring to local tribal government.

Senator ANDREWS. Let us say the Indian has moved away. Some of these funds could be used for his education.

Mr. SMITH. I guess what we are saying is that there are still some members of reservations who still elect local politicians and still provide services for their constituencies.

We are saying that that may be a responsibility of local government. That is the trust we have. We want local governments to make those types of decisions.

Senator ANDREWS. In that census for that tribe will you include in the count all of the Indians on or off the reservations for any apportionment of funds? You know what I am driving at.

Mr. SMITH. Yes. The allocation of dollars——

Senator ANDREWS. Ten percent are off the reservation, and the other 90 percent are on. And, you only allocate on the 90-percent figure. It is then said, "Why take care of our brother; if he wanted to be taken care of, then he ought to be on the reservation."

But, if you count him in the tribe, then you make the allocation to the tribe. Then, yes, you have a justification to expect the tribal government to take care of them because they are counted on the census for which they receive funds. But, as I understand it, they are not. Is that right or wrong?

Mr. SMITH. Let me consult with my colleagues.

Mr. KRENZKE. Mr. Chairman, I think it is difficult for us to refute the arguments that you are making, and I guess I can only echo——

Senator ANDREWS. I can understand that because they are brilliant arguments. [Laughter.]

Mr. KRENZKE [continuing]. I can only echo the response of Mr. Smith to the effect that in times of budget constraints with a limited amount of resources we try to do the most amount of good that we can, and our priorities are to the people on the reservations and the tribal governments that are located there. Some of these decisions are rather agonizing in that respect.

Senator ANDREWS. That is right. What I am trying to do is to sort through all of this multitude of programs. When you bring out the fact that the allocation is being made to a unit of government in a block grant, then it is one thing if that person who is now off the reservation is included in the base under which the money is allocated and, therefore, the off-reservation people get more money for them, but it is totally another thing if they are not. I suspect that they are not. That is where the rub comes.

I also have a difficult time thinking of a city like Minneapolis, Minn.—and I am not trying to knock Minneapolis—or any other city that is 150 to 200 miles removed from several reservations that might serve as an attractive spot for employment opportunities. But if those Indians get into trouble, that city is not going to set up special Indian health programs and they cannot be expected to do so.

So, you are getting it neither from tribal government not from the city government in which they are temporarily residing.

What happens? They are forced to go back, and that is counter productive. We will be interested to see the information that you are going to provide us.

With the BIA aid to tribal courts and law enforcement programs, your budget proposal reflects a slight decrease in the funding level for fiscal 1983. The request is for $7.5 million, and the funding level sought is actually slightly lower than that appropriated in fiscal 1982. Data supplied in your justification indicates the caseload of these courts has increased from 132,000 cases in fiscal 1982 with an anticipated caseload of 161,000 cases in 1984.

In light of this added burden of these courts, how can you justify a reduction in funding below the fiscal 1982 level when they had 20 percent fewer cases than you project they are going to have now? Were they totally underemployed in fiscal 1982? Were they sitting there twittling their thumbs or have you found some paralegal types who will work for less money?

Mr. **Krenzke**. Mr. Chairman, in response to that, let me say this. If you will look at some of the detailed material relating to tribal courts, you will observe that the money that is actually going out to the tribes and to the agencies in fiscal year 1984 is proposed for an increase of $144,000. Although there is some reduction in the overall funding for the program, that reduction is taking place at the Washington level and at the area office level and not out there where the courts are operating.

Senator **Andrews**. That is the best news I have heard in a long time. Can you provide for the record information that will give us a body count, that will give us the concrete feeling that out where the caseload is the body count is up? And that up here where the bureaucracy hangs out that the numbers are down? That is something that ought to be emulated. My congratulations to you, Mr. Secretary, for doing a fantastic job.

We will leave the record open at this point to receive that information.

[Subsequent to the hearing the following information was received for the record:]

Executive Summary

These are the general conclusions derived from the progress reports received from fifty (50) Indian courts out of 85 which have submitted such reports.

(1) The overall caseload for Indian courts has increased by 41 percent.

(*a*) Criminal caseload (primarily over Indians in traffic offenses) has increased by 48 percent.

(*b*) Civil caseload has increased by 16 percent.

(2) Assertion of jurisdiction is down over non-Indians in criminal cases (primarily because of Oliphant).

(3) Jurisdiction over fishing and game matters has increased over both Indians and non-Indians (primarily because of the Northwest fishing cases and as a result of certain cases being classified as civil in nature).

(4) Overall court personnel has increased by 101 percent.

(*a*) Of the court personnel, court clerks have increased the most (from 43 in 1977 to 89 full time in 1981).

(*b*) Other court personnel such as bailiff, advocates, defenders, probation officers and other court support staff have also increased in number.

(5) The turnover rate for Indian court personnel is extraordinarily high (within the preceding five (5) year period). The turnover rate of chief judges was 1.93 times, associate 1.64 times, juvenile judges 1.33 times, and clerks 1.26 times.

(6) It appears that direct political intervention is not the major cause for court personnel turnover. The single major cause may be low pay. This fact coupled with short term appointments are the major reasons for the judges' high turnover rate.

(7) The chief judge's average salary is now approximately $11,745, the associate's average salary is approximately $12,464, and the clerk's average salary is approximately $8,247. A possible reason for the higher salary of associate judges is that "associate judge" is a term which often includes appeals judges and trial judges from other jurisdictions who come to the reservation to argue conflict of interest cases.

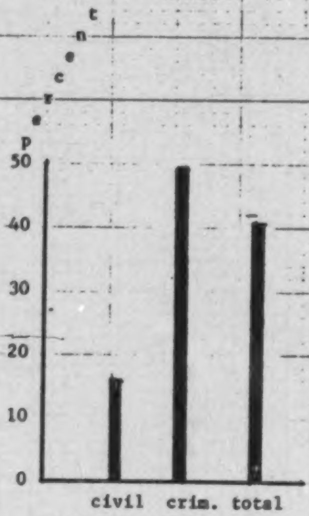
Often these judges are lawyers and their fees are higher. Also, their contract includes mileage and per diem expenses, which will increase their net salary.

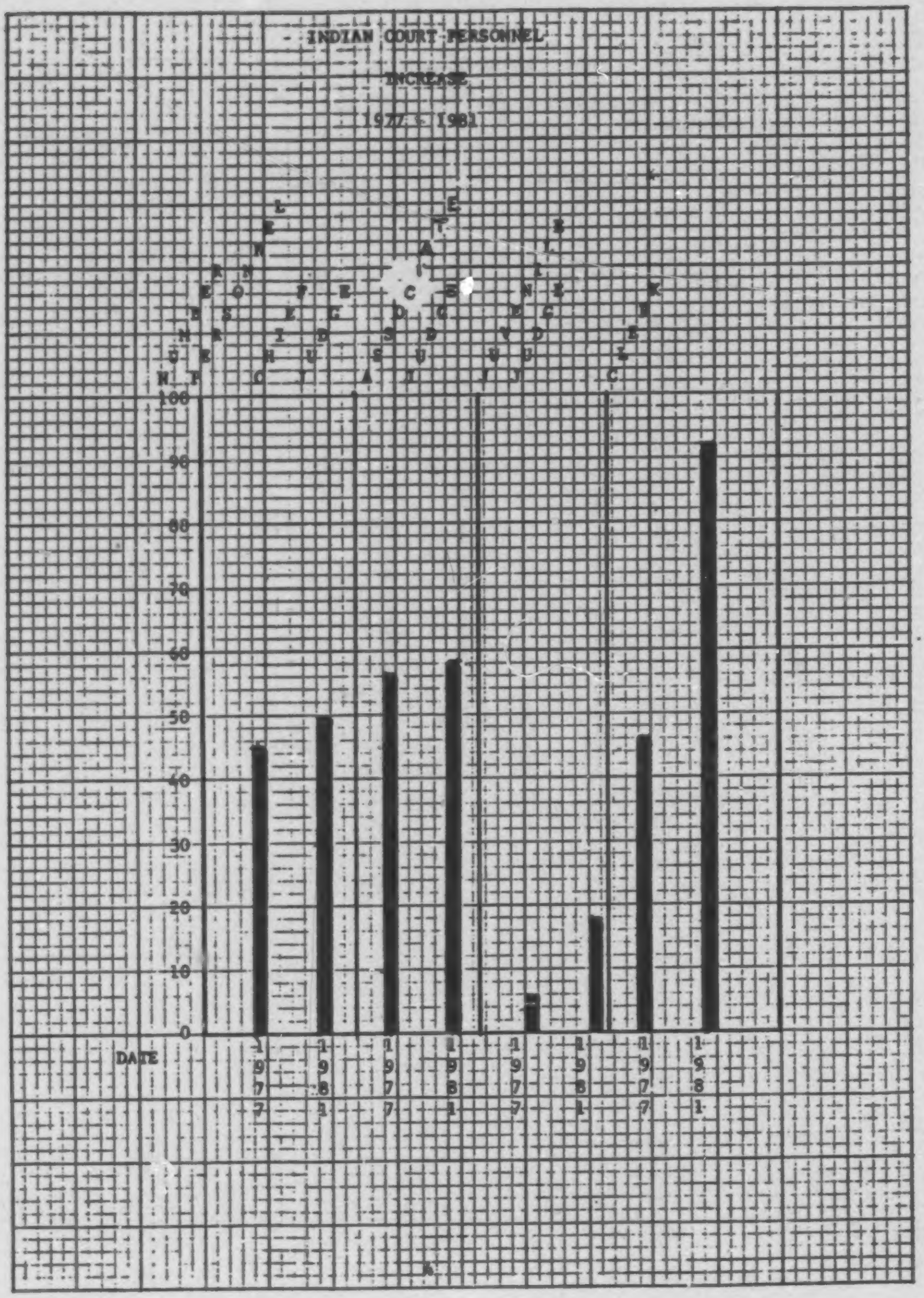
(8) The courts report that the courtroom, clerk's office, and judge's chambers are generally good. Whereas they indicate that the jury room and law library are generally poor.

(9) Tribal and Bureau jail facilities are generally rated as poor, and city facilities are rated between fair and good. Most tribes do not have separate juvenile facilities. Juvenile facilities, whether separate or not, are rated poor.

INDIAN COURT CASELOAD

INCREASE 1981 OVER 1977 CASELOAD




INDIAN COURT PERSONNEL
INCREASE
1977 - 1981
NUMBER PERSONNEL
CHIEF JUDGES
ASSOCIATE JUDGES
JUVENILE JUDGES
CLERKS
100
90
80
70
60
50
40
30
20
10
0
DATE
1977
1981
1977
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1977
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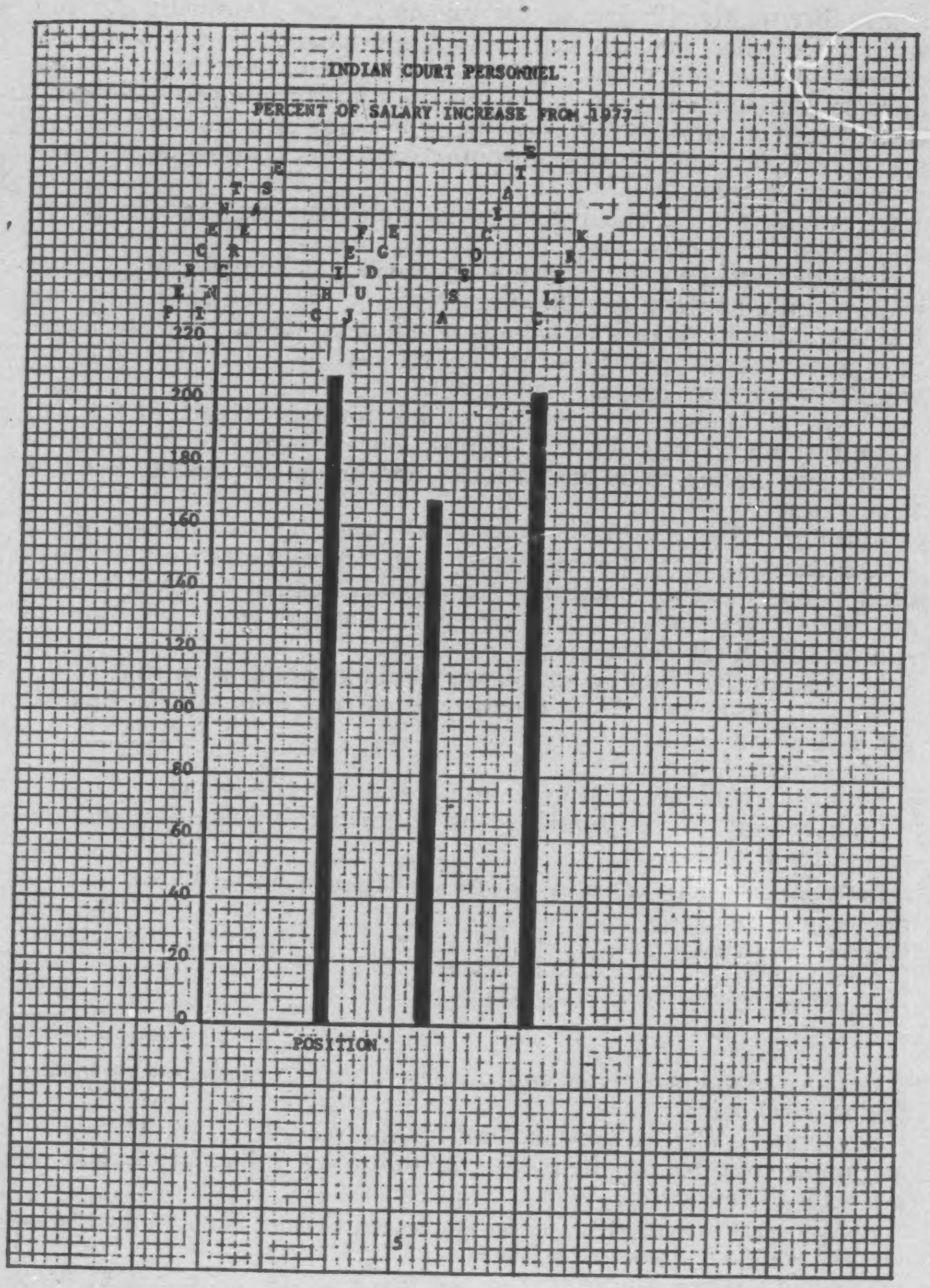
1977
1981


INDIAN COURT PERSONNEL
PERCENT OF SALARY INCREASE FROM 1977
PERCENT INCREASE
CHIEF JUDGE
ASSOCIATE
CLERK
220
200
180
160
140
120
100
80
60
40
20
0
POSITION

Mr. **Smith**. Mr. Chairman, let me make one statement. As you will notice when you get into Indian services, there are some decreases in law and order and the courts. But one thing that we have to remember is that this is not the total funding for providing these types of services. A lot of the tribes now are starting to generate local revenue, so they are starting to pick up some of these programs on their own.

Of course, we are encouraging that and assisting them in developing their local revenues.

Senator **Andrews**. You have been looking at budgets, and I have been looking at them for 20 years. Nothing is worse or less revealing than the stark face of a budget. That is why I have staff prepare a number of questions, so that we can get a better feeling for what those figures actually represent.

I have a number of questions to ask for the record, and I will submit them to you for the record. But I have two other questions—one having to do with Alaska and one of interest to Senator Goldwater.

Assuming that all 20 day schools are transferred to the State of Alaska next year, could the money that would otherwise have been used to operate the remaining ten schools instead be used to operate Mount Edgecumbe, pending arrangements with the State of Alaska to run the schools?

Mr. **Smith**. No. I do not think we would go along with that.

Senator **Andrews**. How much does it cost annually to operate Mt. Edgecumbe?

Mr. **Smith**. Let me see.

Senator **Andrews**. You may supply that for the record.

[Subsequent to the hearing the following information was received for the record:]

The estimated annual operating costs for Mt. Edgecumbe are as follows:

BIA education (ISEF) funds	$2,009,284
Facilities management funds	3,200,000
Chapter I funds	93,436
Exceptional education funds	21,001
Total	5,323,721

Senator **Andrews**. How much does it cost to operate the last 10 transfer schools?

Mr. **Smith**. We can provide that for the record.

[Subsequent to the hearing the following information was received for the record:]

The estimated operating costs for ten day schools included in the FY 1984 budget for the 1983–84 school year are as follows:

BIA education (ISEP) funds	$1,897,493
Facilities management funds	1,802,000
Chapter I funds	268,890
Exceptional education funds	123,695
Total	4,092,078

Senator **Andrews**. Of particular concern to Senator Goldwater is this. The deletion of the interim formula implementation fund, striking $1,723,000, discontinues Bureau education program funding for the prekindergarten. The conference report on fiscal 1983 appropriations states:

> The managers agree that this activity should either be terminated after fiscal 1983 or funded through the social services.

The Bureau chose to terminate the program. Is not this program equivalent to the Department of Health and Human Services Head Start program, an education program which is considered by them to be a necessary program? If the prekindergarten is equivalent to the Head Start program, would not the proposed elimination only serve to place an additional disadvantage on the Indian child as he enters elementary school?

Mr. SMITH. Mr. Ross will respond to that, Mr. Chairman.

Mr. ROSS. In looking at the interim funding formula, we have sixteen prekindergarten programs, of which 14 are contracted out to the tribes. In that regard, there are also several other avenues. It is our understanding that there is an increase in the President's proposal for Head Start.

But under the Bureau of Indian Affairs there are three other sources that could impact on the continuation of those programs, those being the Johnson O'Malley program, chapter I for economically disadvantaged, and 94-142, the handicapped program.

Those, we have some semblance of control over in terms of our office. The other programs that we do not directly control in the Bureau of Indian Affairs' Office of Education are the Head Start program, title XX, social services—and those are grants primarily to States—and title II.

Senator ANDREWS. Finally, Mr. Secretary, you are familiar, of course, with the budget proposal to transfer the administration of Administration for Native Americans programs to the BIA.

What does that mean, in your opinion? What is BIA going to be doing, and what will ANA be doing after this transfer?

Mr. SMITH. We have not worked out all the details. Dorcas Hardy and I, with our staffs, met a couple of weeks ago to discuss the transfer. It is a plan that the administration wants to move on, but we have not discussed exactly the details of what functions ANA would perform and what functions we would perform. We are in the process of discussing that transfer.

Senator ANDREWS. Well, the transfer is slated for April.

Mr. SMITH. Yes.

Senator ANDREWS. If you have not been doing much discussing until now, then you are going to go right into a marriage without the benefit of courtship; are you not?

Mr. SMITH. No. We have had a pretty good relationship between ANA and the BIA. We have always had a good relationship, so this is not to say that we are just starting out fresh. We have personnel we think can accomplish the task that they are doing now.

Senator ANDREWS. How are you going to be reimbursed for your work and services that you will be providing to ANA under this transfer?

Mr. SMITH. Well, those are the details that we are going to have to work out. That is, whether we are going to have an FTE to do it with, how much manpower it is going to take, and so on. It is going to be an extra function that we are going to have to perform. Those things we are trying to pull out and say what are the problems of making that transfer.

Senator ANDREWS. Are you going to make use of the people in ANA who have expertise?

Mr. SMITH. We do not know at this particular time.

Senator ANDREWS. Are you just going to cast them out and then try to retrain them? Or will you get others?

Mr. SMITH. I am sure we would not do that. Depending on the Indian preference and so on, we might be able to absorb some of them.

Senator ANDREWS. But, so far you have not come up with any definitive plan?

Mr. SMITH. No.

Senator ANDREWS. That is interesting.

Mr. Secretary, we appreciate your coming up. We appreciate your candor.

I imagine that before too many weeks go by we will both figure this budget out better than we know about it right now.

Mr. SMITH. Thank you, Mr. Chairman.

[The prepared statement follows:]

PREPARED STATEMENT OF KENNETH L. SMITH, ASSISTANT SECRETARY OF THE INTERIOR FOR INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR

Mr. Chairman and Members of the Committee, I am pleased to appear before you today to discuss the fiscal year 1984 budget for the Bureau of Indian Affairs programs.

The 1984 appropriation request of $901 million includes approximately the same total funding for the operation of Indian programs that we have for 1983. Funding for the operation of Indian programs for 1983 is $843.5 million; in 1984 the request is for $841.5 million. A comparison of our fiscal year 1984 request with our 1983 appropriations is attached as Attachment 1.

The 1984 budget shows a substantial reduction in construction funding, but it does not reflect the $100 million in contract authority the Bureau will be receiving from the Highway Trust Fund for the construction of roads on the reservations under the Highway Improvement Act of 1982.

This additional $100 million for roads construction—over and above the figures in our budget request—will help us meet a basic infrastructure need of the reservations and will also help with the pressing problem of unemployment on the reservations. My staff has advised me that the roads construction program will generate about 5,000 jobs for Indians in 1983 and 1984.

Our request also reflects a difference of $9.4 million in Johnson-O'Malley Education Assistance funding. Our fiscal year 1983 appropriations included the $9.4 million as a one-time Congressional add-on for Alaska school transfers. That amount is not included in our fiscal year 1984 request, hence the difference.

For the operation of Indian programs, the budget calls for $249 million for Indian education; $242 million for Indian services; $65 million for economic development and employment programs; $89 million for natural resources development; $44 million for trust responsibilities; $89 million for facilities management and $62 million for general administration.

This is a lean budget. It will challenge us to use funds efficiently to meet program needs on the reservation, to begin implementing the President's recently promulgated Indian policy statement, and to achieve the management objectives we have set for the Bureau of Indian Affairs for 1984.

While the entire Federal government is under severe budget constraints, it has been with the strong support of Interior Secretary James Watt that we have been able to hold our own in Indian Affairs. Our Indian Affairs budget request for 1984 shows only a $53 million decrease from fiscal year 1983. And that is more than made up by the $100 million we are assured in highway construction funds.

I want to discuss our objectives for 1984 and what we hope to accomplish with the resources provided us in 1984. To set the stage, I am going to take a few moments to talk briefly about some of the things we have done and are doing.

Two years ago when I testified before the Senate Select Committee on Indian Affairs for my confirmation hearings, I spoke about my philosophy and beliefs about Indian people. I stressed then—based on my 22 years of working in tribal government—the need for strengthening tribal governments and lessening the dependence on the Federal government. I said then that I thought any genuine economic development required strong, stable self-government. And I expressed my faith in the ability of Indian people to meet the challenge of assuming real governmental responsibilities.

I have not changed in my philosophy or beliefs. I know now much more about the difficulties of making changes in and through Federal government agencies. I am also more aware of the variety and complexity of problems encountered on Indian reservations. The solutions are not quick and ready. I remain convinced, however, that tribal governments, rather than the federal bureaucracy, must be the foundation on which reservation progress and achievement will be built. To inform tribes that we are serious about using our resources wisely I have initiated an management by objective (MBO) plan for resource management and development. We propose that this plan will be developed by at least two tribes this year. The plan calls for an assessment of their economic resources and the development potential which will enable the tribes to plan for future development of their natural resources based on economic modeling. As a result the needs for this development and management are identified and targeted to coincide with the planned development rather than an ad hoc basis. The Federal government has an important assistance role—but it must be auxiliary to that of the tribal government.

THE PRESIDENT'S POLICY STATEMENT

The philosophy I talked about two years ago has now been formally adopted and enhanced by President Reagan and established as the basic Indian policy of the United States.

In the first major Presidential Indian policy issued in more than a decade, the President reaffirmed the government-to-government relationship between the federal establishment and the Indian tribes.

This policy statement emphasizes the administration's commitment to encourage and strengthen tribal government and make the policy of self-determination a reality. It calls for the removal of obstacles to self-government and the creation of a more favorable environment for development of healthy reservation economies.

The policy reiterates that the Federal government will continue to fulfill its traditional responsibility for the physical and financial resources held in trust for the tribes and their members.

Policy elements through which tribal governments will be strengthened include the following:

Signing of H.R. 5470, the Indian Tribal Governmental Tax Status Act. This legislation provides tribes with essentially the same status and treatment under Federal tax laws as applies to other governments with regard to revenue raising and saving mechanisms.

Encouragement for tribes to assume responsibilities for services such as the enforcement of tribal laws, developing and managing tribal resources, providing health and social services, and education.

Designation of the White House Office of Intergovernmental Affairs as liaison for tribes. By moving this function from the White House Office of Public Liaison, the President recognizes that tribal organizations are governments rather than public interest groups such as veterans, businessmen and religious leaders.

A request that Congress expand the authorized membership of the Advisory Commission on Intergovernmental Relations to include a representative of Indian tribal governments.

Request that Congress repudiate House Concurrent Resolution 108 of the 83rd Congress which called for termination of the Federal-tribal relationship. The Administration wants this lingering threat of termination withdrawn and replaced by a resolution expressing its support of a government-to-government relationship.

Support for direct funding to Indian tribes under Title XX social services block grants to States. In keeping with the government-to-government relationship, Indian tribes are defined by law as eligible entities and receive direct funding, if they wish, in five block grant programs administered by the Department of Health and Human Services. These and other blocks to the States consolidated dozens of categorical Federal domestic assistance programs to reduce fragmentation and overlap, eliminate excessive Federal regulation, and provide for more local control. Title XX has the largest appropriation and the greatest flexibility in service delivery.

Grants for social services would be made directly to the tribal governments, at the option of the tribe, and would not be channeled through the States.

To attempt to better the economic conditions on reservations, the policy calls for:

Establishment of a Presidential Advisory Commission on Indian Reservation Economies. This commission, to consist of knowledgeable Indian and non-Indian business people, will identify obstacles to economic growth on reservations; recommend changes in federal, tribal, state and local governments to rectify problems; and will recommend ways for the private sector, both Indian and non-Indian, to participate in the development and growth of reservation economies. It will advise the President on actions needed to improve these economies.

Working with tribes to expeditiously implement the recently passed Indian Minerals Development Act of 1982 to allow tribes to enter into joint venture contracts and other non-lease agreements for the development of reservation resources. This law will provide beneficial opportunities for creative agreements for minerals development.

Funding of a new economic development initiative, beginning in 1983, to provide seed money to tribes to attract private funding for economic development ventures on reservations.

Providing $375 million over a four year period for building new roads on Indian reservations under the Highway Improvements Act of 1982.

A policy statement, of itself, does not effect changes in the day-to-day life on reservations. But it sets a direction and gives impetus to actions that do bring change. Ideas have consequences in that humans usually manage to achieve whatever they can conceive as possible.

The President's policy statement is, I believe, a powerful force in the movement toward self-government and self-sufficiency for Indian tribes.

OTHER ACTIVITIES AND ACCOMPLISHMENTS

The policy statement is the major achievement of this Administration in Indian Affairs. I think there are other accomplishments of significance.

We have initiated in 1983 a program to help small tribes achieve basic managerial capabilities—to enable them to effectively manage and account for the use of funds. Draft regulations were prepared and submitted for review and comment by the tribes and we are now in the process of accepting and processing applications which will implement this initiative.

Another new program being initiated in 1983 is to provide seed money for economic development projects on the reservations. We are now accepting applications for these grants and anticipate the approval of the first ones by the first of May.

Initiated a system for evaluating administrative programs in the 12 area offices of the BIA. This system permits the area director to carry out a continuing evaluation of area office activities and to determine strengths and weaknesses. It also includes a system for validating these evaluations by a team of central office specialists. We expect the system to bring continued administrative improvements.

In an effort to assure program accountability of funds, we conducted on site year-end fiscal reviews of 11 of our 12 area offices.

Established a formal process to encourage negotiated settlements of Indian water rights claims. The Papago Indian Tribe's claim was the first to be negotiated and was settled in September 1982. The Papago settlement reduced the cost to the federal government from $112 million (proposed in a bill vetoed by the President) less than $40 million and provided for a contribution of over $5.25 million by local beneficiaries.

Instituted forest inventory and planning programs to assist tribes in the cutting of timber on a sustained-yield basis. Eleven full programs and 20 to 30 abbreviated plans for smaller reservations were operational by the end of 1982.

Initiated a series of regional, person-to-person workshops to discuss programming and budgetary matters with tribal leaders. This additional consultation improves government-to-government relationships, fosters deeper understanding of the tribes and management problems, and increases appreciation of Indian self-determination.

Undertook a comprehensive review of all off-reservation boarding schools to determine the feasibility of continued operations as well as alternatives available for educating students closer to their homes.

Transferred 17 Bureau of Indian Affairs day schools to the State of Alaska, achieving a savings to the federal government of $5.9 million.

Dedicated the first Indian-owned hydroelectric dam on a reservation. Financed with $10 million in tribal funds, $15 million raised by a State bond issue and a $5 million federal loan, the Pelton Dam on the Warm Springs Indian Reservation in

Oregon will generate approximately $4 million annually to the Confederated Tribes through the sale of power to northwest utilities.

Started construction in fiscal year 1982 on nine new, small irrigation projects—four in Arizona, four in the Dakotas and one in Iowa—which will be completed by the end of fiscal year 1983 and will provide quick economic returns to the tribes.

Provided $4.6 million in funding to the lower Brule Sioux Tribe for the second phase of the Grass Rope Irrigation Unit. This will permit the tribe to irrigate 3,500 acres, in addition to the 1,500 acres now under irrigation, generating a potential income of $1.2 million.

Settled the controversy about Indian gill-net fishing in the Great Lakes area. The plan, which will limit Indian gill-netters to an area generally north of Little Traverse Bay in Northern Michigan, was accepted in concept by Indian representatives, sport fishermen and the Michigan Department of Natural Resources. The comprehensive settlement will protect the fishery resources, protect Michigan's sport-fishing, and protect Indian treaty rights.

Instituted a model hydrocarbon monitoring system in the Anadarko, Oklahoma, area that enables tribes to determine royalties at the exact moment they are due, thereby obviating the customary 30-day delay in royalty payment.

Settled the land claims of the Chugach Natives in Alaska. The settlement resolved issues outstanding for 11 years.

Developed a training course entitled "Dealing with Tribal Governments," to assist various federal and State agencies and others affected by tribal governmental actions.

1984 PROGRAM OBJECTIVES AND ACTIVITIES

The Bureau's 1984 budget request reflects an emphasis on three major areas of responsibility. They are:

(1) To recognize and preserve the rights of tribal self-government and to strengthen tribal capacity to govern;

(2) To fulfill the federal government's trust responsibility to American Indian tribes; and

(3) To strengthen BIA's ability to serve Indian people by improving management.

We are committed to reducing administrative costs of the Bureau—particularly at the central office and area office levels—so we can maximize the funds available at the reservation level. We plan to maintain full communications with Congressional personnel and Indian leaders on all proposals and plans for achieving savings and increased management efficiency.

INDIAN EDUCATION

In fiscal year 1984, $249.1 million is requested for Indian education under the Operation of Indian Programs appropriation. This consists of $175.0 million for school operations; $26.0 million for Johnson O'Malley programs for students in public schools; and $48.1 million in continuing education, including scholarship grants ($27.7), adult education ($3.7), tribally controlled community colleges ($10.3), and post-secondary schools ($6.4).

The Bureau of Indian Affairs provides funds for a Federally supported school system presently comprised of 183 schools and 15 dormitories for Indian students. The decrease in number of students served (from 42,321 in 1983 to 41,540 in 1984) is due to the proposed transfer of 10 Bureau day schools to the State of Alaska, the closure of Mt. Edgecumbe boarding school in Alaska, the proposed closure (based on tentative decisions) of three other off-reservation boarding schools at the end of the 1982–83 school year, and declining enrollment. The Alaska day school transfers will be negotiated with the State and are consistent with the State's Constitution to establish a single school system in Alaska. The majority of the schools in the Bureau's system are operated by the Bureau; however, an increasing number (62) are controlled, operated and managed by Indian groups under contractual arrangements with the Bureau.

INDIAN SERVICES

A proposed fiscal year 1984 program of $98.6 million in social services programs includes $7.7 million for Indian Child Welfare Act requirements and $73 million for welfare grants, including both general assistance and payments for the care of dependent, neglected, handicapped or delinquent children.

Tribal governments will also benefit in fiscal year 1984 from funding for government functions such as law enforcement, courts and general government operations.

The budget includes $34.5 million for law enforcement and $23.5 million for tribal government services including tribal courts.

The $60.2 million fiscal year 1984 self-determination services program includes $34.8 million to cover tribal overhead costs associated with Public Law 93-638 contracts, $19.3 million for grants to tribal governments, and $5.0 million for grants to small tribes to acquire and maintain needed core-management capability. Consistent with our emphasis on self-determination and strong tribal governments this is an increase of $7.3 million, or about 14%.

ECONOMIC DEVELOPMENT AND EMPLOYMENT PROGRAMS

The fiscal year 1984 request of $65.5 million for economic development and employment programs includes approximately $27.6 million for direct employment and vocational training. Also included is $10 million for a continuing economic development initiative which provides grants to Indian tribes for the purposes of (1) initiating business development of natural resources; (2) encouraging private sector investment; and (3) promoting sound business principles. We expect this $10 million to generate total funding of $40 million for economic development projects.

Credit and financing technical staff resources which operate the Bureau's various loan programs are funded at $4.6 million. Direct loans from the revolving loan are projected at $13.1 million for fiscal year 1984. These loans will be financed from available fund balances. Guaranteed and insured loans amounting to $19 million will be made in fiscal year 1984 from available fund balances.

NATURAL RESOURCES DEVELOPMENT

The request of $89.3 million for natural resources development in fiscal year 1984 supports programs in energy and minerals, forestry, agriculture, range, irrigation and power project operation and maintenance, water resources, wildlife, parks and fisheries management, and other multi-disciplinary natural resource efforts.

TRUST RESPONSIBILITIES

Strengthening of the trust responsibility role continues to be a prime goal of the Bureau. The fiscal year 1984 request of $44 million is for programs to carry out the Federal trust responsibilities including real estate and financial trust services, rights protection, and environmental quality services. Of this amount, $1.4 million is requested to provide funds for the continued implementation of the Alaska National Interest Lands Conservation Act.

FACILITIES MANAGEMENT

In fiscal year 1984, $88.9 million is requested for facilities management. The program includes rental cost for facilities, operation and maintenance of all facilities (including those used for Indian contracted programs), and facilities operation and maintenance staff at all levels of the Bureau.

GENERAL ADMINISTRATION

In fiscal year 1984, $61.8 million is requested for general administration which includes executive direction, EEO, and administrative services for all levels of the Bureau; ADP services; safety management; reimbursements to the Department of Labor for employee compensation and unemployment compensation payments to former Bureau employees; and program management at the central office level for the construction, road construction and education programs.

We have included $680,000 to establish an oversight and evaluation capability of the Bureau's Public Law 93-638 contract and grant administration function to assure contract/grant fund accountability, proper delivery of services and improved management control.

CONSTRUCTION (BUILDING AND UTILITIES)

The fiscal year 1984 Budget request for construction of buildings and utilities is $50.6 million, which includes $14.6 million for construction of the Hopi Junior/Senior High School in the State of Arizona.

The program also includes $36 million for facilities improvement and repairs. Funding requested will be used to correct unsafe conditions, to improve waste disposal facilities, initiate high priority energy conservation projects, to correct functional deficiencies in existing Bureau facilities, and for preparation of plans, engineering supervision and surveys.

IRRIGATION CONSTRUCTION

The proposed fiscal year 1984 irrigation construction program will provide a total of $5.3 million. This amount includes $1 million for the Fallon Project in Nevada. Funding is being requested in the amount of $1.2 million for continuation of a major effort for assuring dam safety which was initiated in fiscal year 1982.

The request also includes $2.1 million for supervision and engineering for irrigation construction and rehabilitation work on Indian irrigation projects and $1 million for surveys and design for repairs and rehabilitation of existing irrigation projects.

ROAD CONSTRUCTION

New fiscal year 1984 budget authority of $4 million is proposed to provide program supervision and technical services at area and agency offices for the Bureau to continue the development of a transportation network upon which economic and social advancement may be achieved. Construction project costs will be met with funds provided through contract authority allocated from the Highway Trust Fund as part of the Federal Lands Highway Program of the Department of Transportation. A total of $100 million in contract authority will be available in fiscal year 1984.

CONCLUSION

The 1984 budget helps to implement the President's Indian Policy. It will double the $2.5 million available in 1983 for assisting small tribes in developing a core management capability and will provide $10 million—twice the 1983 amount—for the economic development initiative to provide seed money for the tribes.

We will continue to encourage tribes to assume greater responsibility for their own reservation programs such as enforcement of tribal laws, developing and managing resources, providing social services and other programs. Contracting by tribes to operate these programs now totals more than $230 million. We are endeavoring to increase this by 10 percent in fiscal year 1983, with a further substantial increase in fiscal year 1984. To support this contracting we have requested increases of $3.5 million—for a total of $34.8 million in 1984—to cover tribal administrative costs.

Mr. Chairman, this concludes my prepared remarks. My staff and I will be pleased to answer any questions you may have.

Thank you.

BUREAU OF INDIAN AFFAIRS
F.Y. 1984 BUDGET REQUEST
(IN THOUSAND DOLLARS)

	FY 1983 Approp. to date	FY 1983 2/ Budget Estimate	FY 1984 Budget Estimate
School Operations	177,075	179,556	174,947
Johnson O'Malley Education Assistance	35,579 1/	35,579 1/	26,000
Continuing Education	51,451	51,658	48,121
EDUCATION	264,105	266,793	249,068
Tribal Government Services	25,473	25,609	23,534
Social Services	100,002	100,187	98,609
Law Enforcement	35,697	35,972	34,521
Housing	23,233	23,298	22,068
Self-Determination Services	52,822	52,876	60,198
Navajo-Hopi Settlement Program	3,899	3,923	3,951
INDIAN SERVICES	241,126	241,865	242,881
Employment Development	27,429	27,554	27,641
Business Enterprise Development	10,854	10,966	15,543
Road Maintenance	21,037	21,301	22,351
ECONOMIC DEVELOPMENT AND EMPLOYMENT PROGRAMS	59,320	59,821	65,535
Forestry and Agriculture	69,360	70,236	73,415
Minerals, Mining, Irrigation and Power	14,981	15,005	15,881
NATURAL RESOURCES DEVELOPMENT	84,341	85,241	89,296
Indian Rights Protection	17,634	17,723	16,323
Real Estate and Financial Trust Services	28,405	28,877	27,719
TRUST RESPONSIBILITIES	46,039	46,600	44,042
FACILITIES MANAGEMENT	88,900	89,872	88,910
Management and Administration	47,854	48,826	49,434
Employee Compensation Payments	4,582	4,582	6,829
Program Management	7,241	7,377	5,520
GENERAL ADMINISTRATION	59,677	60,785	61,783
1983 PROPOSED SUPPLEMENTALS			
Fire Suppression		14,000	-0-
Federal Employee Pay Cost (distrib. in column 2)		(7,469)	-0-
OPERATION OF INDIAN PROGRAMS (Total)	843,508	864,977	841,515
Irrigation Systems	18,900	18,900	5,325
Building and Utilities	48,350	48,350	50,550
Land Acquisition	-0-	-0-	-0-
CONSTRUCTION (Total)	67,250	67,250	55,875
ROAD CONSTRUCTION (Total)	43,585 3/	43,585 3/	4,000 3/
TOTAL, FEDERAL APPROPRIATIONS	954,343	975,812	901,390

1/ Includes $9,350 for Alaska school transfers, to remain available until expended.
2/ Program amounts include actual appropriations and pending supplemental requests.
3/ Does not include construction project funds which will be provided through contract authority from the Highway Trust Fund as part of the Federal Lands Highway Program of the Department of Transportation (1983-$75.0 million; 1984-$100.0 million).

Senator ANDREWS. Next, we are going to hear from Casey Wichlacz, Director, Administration for Native Americans.

We welcome you, and you may proceed.

STATEMENT OF CASIMER R. WICHLACZ, ACTING COMMISSIONER, ADMINISTRATION FOR NATIVE AMERICANS, OFFICE OF HUMAN DEVELOPMENT SERVICES, DEPARTMENT OF HEALTH AND HUMAN SERVICES

Mr. WICHLACZ. Thank you for the opportunity to present an overview of the fiscal year 1984 budget for the Administration for Native Americans.

Senator ANDREWS. May I say that most of the North Dakota tribes and organizations want to keep you the way you are. They do not want to move you into the BIA.

I just wanted you to know that I start from that point of view.

Mr. WICHLACZ. The Administration for Native Americans promotes social and economic self-sufficiency for American Indians, Alaskan Natives, and Native Hawaiians throughout the United States, through the support of locally determined strategies for long-term social and economic development.

The program operates on two fundamental principles: No. 1, that the local community is responsible for determining its own needs and priorities and for planning and implementing programs; and, No. 2, that economic and social development are interrelated and that both must be balanced if Native Americans are to achieve self-sufficiency.

The Administration for Native Americans' funding policy is to assist Indian tribes and Native American organizations to plan and implement their own long-term strategies for social and economic development. This funding approach moves the focus from increasing dependency on social services to increasing productivity of both individuals and communities.

In fiscal year 1982 the Administration for Native Americans implemented a competitive review process for awarding grants for social and economic development projects. Applications which were complete and conformed to the requirements specified in the program announcement were reviewed against the published evaluation criteria.

Panels composed of outside reviewers and program office staff reviewed applications and made recommendations concerning social and economic development projects that are expected to make a significant contribution in moving the local Native American community toward self-sufficiency.

This approach moves forward from the previous program emphasis on funding core administration nd filling service gaps. The new phase is a long-term developmental process—a community-based strategy for resolving the underlying problems in the community that result in unmet human needs, in unemployment, and in poor education.

To achieve its legislated mission of promoting self-sufficiency within the framework of locally determined social and economic development strategies, the Administration for Native Americans has three primary goals.

No. 1, to develop or strengthen tribal governments and Native American institutions and Native American leadership;

No. 2, to foster the development of stable, diversified local economies and/or economic activities which provide jobs, promote economic well-being and reduce dependency on social services; and

No. 3, to support local access to and coordination of programs and services which safeguard the health and well-being of people, and which are essential to a thriving and self-sufficient community.

The fiscal year 1982 evaluation by the Assistant Secretary for Planning and Evaluation in the Department of Health and Human Services found that with the Administration for Native Americans' financial assistance grants, tribal and community grantees have become more results oriented and have identified, with considerable specificity, events and milestones critical to their futures.

The evaluation also noted some of the successes already realized by Native American grantees including establishment of commercial enterprises and financial institutions, and improved management and profitability of natural resource development.

The Native American programs' approach has helped tribes and Indian communities put people to work in nonsubsidized employment. It has encouraged private sector participation in the reservations and with urban Indian communities as well.

The policy of funding social and economic development strategies allows maximum local flexibility for self-determination and provides for marshaling and directing Federal, State, local, tribal or organizational resources toward local objectives while avoiding duplication in funding and programs.

A new initiative is planned to begin in fiscal year 1983 and continue in fiscal year 1984. Beginning in April 1983, the Administration for Native Americans' financial assistance grants to federally recognized Indian tribes will be handled through the Bureau of Indian Affairs under the authority of the Economy Act (31 U.S.C. 686).

In addition, the Native American Programs Act also gives the Secretary of Health and Human Services the authority to delegate the functions of the act to other agencies. The initative supports the improved coordinations of Indian activities at the Federal level and directly promotes Indian self-determination.

This program coordination is expected to yield positive results with respect to extending the impact of successful social and economic development strategies of Indian tribes and by serving as a model for other Bureau of Indian Affairs activities.

It involves local program administration and operation by tribal personnel rather than the direct delivery of services by Federal employees. It is a catalyst for encouraging tribal self-government and reducing Federal domination over Federal Indian programs.

On the whole, there is expected to be a greater efficiency in the Federal management of financial assistance to Indian tribes through the resultant program integration and cooperation. This initiative reflects the commitment by the Federal Government to encourage tribal self-government as articulated in the President's Indian Policy Statement dated January 24, 1983.

Funding for financial assistance grants for federally recognized tribes will remain constant in fiscal year 1984. In addition, it is expected that in fiscal year 1984 Indian tribes will receive direct funding for the first time for child welfare services under title IV-B of the Social Security Act.

The Administration will also be sending to the Congress a legislative proposal that would make Indian tribes eligible for direct funding under the social services block grant. The Department of Housing and Urban Development is also proposing a new Indian housing program.

In addition, we have re-examined our assistance to nonfederally recognized Native American groups. This assistance is expected to accomplish results that are lasting and do not require ongoing Federal support.

The communities involved in these projects are under the jurisdiction of the States and do not have the government-to-government relationship that exists with federally recognized Indian tribes and the Federal Government.

Therefore, financial assistance from the Administration for Native Americans for nonfederally recognized groups will be phased out over a 3-year period beginning in fiscal year 1984.

Funding for training, technical assistance, research, and demonstration is not requested for fiscal year 1984. We believe it is unnecessary to have separate national funding for these activities. Specialized training and technical assistance support may be obtained directly by Native American groups from the financial assistance grants provided to them.

Indian tribes and local Native American organizations are in the best position to identify their own training and technical assistance needs and can generally purchase such specialized assistance more economically at the local level.

The focus for research, demonstration, and evaluation will shift to identifying and disseminating information on exemplary projects and transferable results that are funded under the financial assistance grants. The reductions in research and training are part of a department-wide policy of targeting limited Federal resources to those activities that provide direct services or promote economic development.

It is important to that although the budget eliminates funds for evaluation activities, other authorities and resources within the department will be used to evaluate the Native American programs. The evaluation conducted by the Assistant Secretary for Planning and Evaluation as mentioned previously is such an example. Another evaluation is expected in fiscal year 1983 to be carried out by the same office.

I appreciate the opportunity to appear before the committee. I will be happy to answer any questions you may have at this time.

Senator ANDREWS. Mr. Wichlacz, the Administration is proposing to transfer the administration of ANA programs to the BIA. What does this mean? How is this going to work? What is ANA going to do, and what is BIA going to do?

Mr. WICHLACZ. The details for the arrangement have not been worked out yet. We are in the process of working those details out.

Senator Andrews. I understand from what Mr. Smith just told us that you really have not done any detailed negotiating yet; is that correct?

Mr. WICHLACZ. That is correct, Mr. Chairman. There have been some meetings, and we have additional meetings scheduled. We are working on it, but we have not come to closure on any of the specifics.

Senator ANDREWS. As I understand it, the transfer of the administration of the ANA programs is taking place according to their budget justification under the authority of the Economy Act of 1932, as amended. This act, as we read it, authorizes the executive branch agencies to place orders with or requisition materials, supplies, equipment and so on, from another executive branch agency.

Is the Department of Health and Human Services confident that this statute authorizes the de facto transfer of the entire program created by Act of Congress from one agency to another?

Mr. WICHLACZ. Mr. Chairman, our consideration of that has not been limited to that authority alone. within the statutory authority of the Native American Programs Act, the Secretary has authority to delegate to other departments functions of the program that are authorized under the act.

Senator ANDREWS. Let me point out that it is our understanding that in 1974 when Congress passed the Community Services Act and established the Native American program, which is now ANA, that in the committee report on that act the House Education and Labor Committee wrote:

> Because of the relationship of programs funded under the native American program with other human service programs under the Department of HEW, it is the committee's intent that NAP remain within HEW and not be delegated to the Bureau of Indian Affairs.

Would it appear that the administration's recommendation to transfer the operation of the ANA program to the BIA is consistent with its stated purpose in the committee report at the time of the enactment of the legislation?

Mr. WICHLACZ. Mr. Chairman, the details have not been worked out yet, and as far as delegation of authority or any transfer, that has not been an issue that has reached closure at this time.

Senator ANDREWS. Do you have attorneys in your shop who have been looking at the legal standing of this, or is anybody looking at it?

Mr. WICHLACZ. Yes, Mr. Chairman, we have had the benefit of informal discussion as well as some formal looks at this. The Economy Act is an authority that has been used in some of the interagency agreements with the Bureau of Indian Affairs on various projects that we had a common interest in.

Until we reach a decision on what specifically will be involved in this interagency effort—our legal counsel advises that they will need to see what we are going to do first before they render a formal opinion.

Senator ANDREWS. I think one of the first things to find out is whether you are going to do it at all, before you find out what you are going to do.

We are not supposed to give you an legal advice up here. Neither of the two of us here on the committee are attorneys. There is a damn good veterinarian and a fairly competent farmer, but that will not keep you out of jail.

But looking at it, I am surprised that somebody has not looked into the legal standing of this transfer.

Let us say, though, that the transfer proceeds as stated. Under the HHS budget they have salaries and expenses as a line and all the moneys that are designated as program dollars within ANA go to the program and not the salaries and expenses. That is not true with BIA.

So, how do ANA and BIA propose to make sure that in the administration of the ANA programs, after this marriage is consumated, that all the moneys in the ANA continue to go to the program and not to more and more bureaucracy?

Mr. **Wichlacz**. As I said, we have not worked out the details, but that will certainly be an issue that we will deal with.

It is correct that all of the ANA funds go directly to tribes or to other Native American groups.

Senator **Andrews**. Is there any lightbulb or sign or something that is going to say, "No, no!"? That is, if this guaranty is not included in the new package that you put together sometime between now and April 1 when I guess you leave on your honeymoon.

Mr. **Wichlacz**. I am sorry, Mr. Chairman, I am not sure what the question is.

Senator **Andrews**. My question is that right now, under your shop, there is a guaranty that the program dollars go to programs which directly benefit the people we are talking about.

There is no such guaranty at BIA. Those dollars can go to the bureaucracy, and then do not get through to the Native Americans about whom we are talking, and are concerned.

To me, that is one whale of a difference in application of funding. It is something that we ought to be concerned about, if we think these programs have validity.

So, in the transfer, what I am asking is this. Is there some failsafe signal that goes off if this very important ground rule is violated in the package yet to be worked out?

Mr. **Wichlacz**. Mr. Chairman, that will certainly be of concern to us, that there is no attenuation of resources.

Senator **Andrews**. But there is no way of guaranteeing that before you go ahead with this marriage.

Mr. **Wichlacz**. We anticipate having an interagency agreement that would be agreeable to both departments. It is of interest to the Department of Health and Human Services, the Administration for Native Americans, and the Office of Human Development Services that the funds and programs remain intact and remain in the budget for the Administration for Native Americans throughout the out years. We look forward to maintaining and further developing, that is, making additional progress in the area of promoting self-sufficiency for Native Americans. We do not see that there will, in any way, be a loss because of overhead costs in operating the program. We anticipate that there will be an overall net gain in terms of greater coordination at the Federal level and in moving programs toward targeting social and economic self-sufficiency for Indians.

Senator **Andrews**. ANA, as I understand it, is prohibited in its enabling act from duplicating their Federal programs. The administration is urging the transfer to BIA on the basis that it will improve the coordination of Federal Indian activities to eliminate those programs that do not involve the direct delivery of services.

Since ANA was established without any expectation of providing direct services, it has in fact deliberately stayed away from the provision of direct services. Is this portion of the administration's rationale inconsistent with the whole purpose of ANA?

Mr. **Wichlacz**. It is our position that the greater coordination and integration of the programs at the Federal level will have the effect of promoting tribal management of their own programs, and that is the net effect that we expect to accomplish out of this effort.

Senator **Andrews**. Do you think that can be better accomplished if you are absorbed by BIA than the way you are now?

Mr. **Wichlacz**. Mr. Chairman, we do not anticipate this being an absorption by the Bureau of Indian Affairs.

Senator **Andrews**. Well, if they take over your administration—if it looks like a duck and walks like a duck and quacks like a duck, then chances are it might be a duck. If they take over your administration, how are you going to maintain your independence and your ability to function, given a couple of the differences I have pointed out between the way the BIA traditionally does things and the way you have been set up? What can you say that will calm down my sensitivities that have been aroused in this whole matter?

Mr. **Wichlacz**. Mr. Chairman, it is our expectation that this initiative will assist the Bureau to move more in the direction that ANA has been operating under. We expect that it will result in more resources rather than less.

Senator **Andrews**. In other words, you think they can do a better job in the overall area by your being absorbed than if you stay as a free-standing operation as you now are?

Mr. **Wichlacz**. Your statement that the program is going to be absorbed is not something that we are supporting. It remains within the ANA budget. It remains within the Office of Human Development Services. And, we are looking for specific ways that we can expand the impact rather than diminish it.

Senator **Andrews**. Well, if this absorption goes through, I will be interested in listening to your comments a year or two from now as to whether or not you have been digested by that other group.

But I am glad that you have such a rosy feeling about it.

I have a series of questions that I will ask you to respond to for the record. The record will remain open to receive those responses.

[Subsequent to the hearing the following questions and answers were received for the record:]

Department of Health and Human Services,
Washington, D.C., May 2, 1983.

Hon. Mark Andrews,
Select Committee on Indian Affairs,
U.S. Senate, Washington, D.C.

Dear Senator Andrews: Secretary Heckler has asked me to respond to your recent letter relating to fiscal year 1984 budget proposals for the Administration for Native Americans (ANA). The following information responds to each question raised in your letter:

(1) In fiscal year 1981, the Administration for Native Americans (ANA) had 55 full-time equivalent (FTE) positions. With the reduction of the ANA budget, this FTE figure was reduced to 45. If the reductions in the proposed budget for fiscal year 1984 are adopted, how many FTE positions will ANA retain?

Answer. At this time, while reductions in the overall staff level for HDS have been proposed, no specific program levels have been developed for ANA or other units within HDS.

(2) In fiscal year 1981, ANA served about 200 grantees and, according to the former Commissioner of ANA, David Lester, ANA served about 180 grantees under its Fiscal Year 1982 budget. If the reductions in the proposed budget are adopted, how many grantees will ANA be able to serve?

Answer. At the $22,466,000 level of the fiscal year 1984 President's Budget, ANA will be able to fund approximately 136 Financial Assistance Grants.

(3) The phase-out of Federal assistance grants programs to groups that are not federally recognized tribes is scheduled to take place over a three year period. Does ANA administer any grants to grantees who are scheduled for elimination that, under the terms of the grants extend beyond this three year period?

(*a*) If so, please identify the grant, the grantee, the purpose of the grant, and the amount of the grant.

(*b*) Please advise the Committee as to how the remaining years of these grants will be administered, if at all.

Answer. The commitment under all grants administered by the Administration for Native Americans is on a one year basis. Since fiscal year 1982, ANA has competed all continuation and new awards against criteria published in the Federal Register on the following dates: May 26, 1981, November 12, 1981, May 11, 1982 and May 24, 1982. All ANA grants will continue to be awarded on a competitive basis within the limits of funds allocated to such purposes. Consequently, there are no current ANA grants that have a project commitment beyond the three year phase-out period.

(4) In testimony before the Labor, HHS, and Education Appropriations Subcommittee, former Commissioner Lester referred to a project on the island of Molokai in the Hawaiian Islands. Native Hawaiian farmers had formed a farmers cooperative to return their lands to other productive uses following the departure of the pineapple industry. Mr. Lester said of this project, "If the homesteaders don't succeed in their farming, their lands will be returned to the State." Is this project now self-supporting or is further assistance from ANA required? Please describe the nature of the assistance both in terms of costs and years, if it is required.

Answer. The project referred to on the island of Molokai is the Hikiola Cooperative. This project completed the third year of operations with ANA financial assistance on January 31, 1983. This economic development project established a farm cooperative that is now operated by Native Hawaiians and is self sustaining. ANA assistance has enabled the farm cooperative's products to be marketed competitively with improved management, effective inventory control and adequate equipment servicing.

(5) The ANA budget justification contemplates the elimination of those Indian tribes that have not received recognition from the Federal government. Indian tribes who assert that they are entitled to Federal recognition but who have been unable to demonstrate that now they are entitled to it have used ANA grants to fund the gathering of the necessary historical, cultural, and anthropological data to prove their case. Will ANA continue to fund these projects? If not, does this not place these tribes in the paradoxical position of asserting that they are entitled to Federal recognition but of being denied the resources necessary to prove their case?

Answer. ANA expects to continue funding status clarification projects in fiscal years 1984 and 1985. This effort, initiated in fiscal year 1981, has resulted in two tribes completing the Federal acknowledgement process. One received Federal recognition and the other is completing additional research efforts in response to an initial denial. There are 10 other non-federally recognized groups that were awarded grants in fiscal years 1981 and 1982 that will be completing their research or strengthening their documentation for application for Federal recognition. These projects expire July 31, 1983. In addition, ANA is currently providing financial assistance to thirteen other groups who have just begun initial research and data collection activities which expire on January 31, 1984. Furthermore, the National Indian Lutheran Board's (NILB) Tribal Status Clarification Resource Mobilization Project, with ANA funds, has been providing technical assistance to tribal groups in preparation of petitions for Federal acknowledgment. NILB has compiled a geographical resource listing to match professional historians with tribes and has conducted seminars on status recognition for members of non-federally recognized groups. NILB has recently established the American Indian Research and Resource Institute through Gettysburg College to provide on-going research and technical assistance with unrecognized tribal groups. Gettysburg College has made a three year commitment to be the host institute and will identify two tribes per year for direct assistance. Other future commitments are also being pursued by NILB to continue this effort without ANA funding. In fiscal year 1986, ANA will not provide financial assistance grants for status clarification projects or any other activities for non-federally recognized groups.

(6) The ANA budget proposal recommends the elimination of the "training and technical assistance" program as a separate line item. This proposal is justified on the grounds that training and technical assistance can be provided under the financial assistance grants program.

Although it is true that training and technical assistance can be, and is, obtained by Native American groups through the financial assistance grants program, the assistance that ANA provides is usually related to the specific program that is the subject of the financial assistance grant. ANA does, however, operate interagency training programs that involve the cooperation of other Federal agancies.

(*a*) What interagency training programs are operated under this line item?

Answer. Currently two interagency training and technical assistance efforts are operated under this line item:

Personnel and Organizational Management Assistance with the Office of Personnel Management to develop merit employment personnel systems with Indian tribes.

Development of Indian Energy Resources in cooperation with the Department of Energy to provide highly specialized technical assistance for energy development on Indian reservations through the Council of Energy Resource Tribes (CERT).

(*b*) Will those interagency programs be funded under the financial assistance grants program if this line item is eliminated?

Answer. The interagency project with the Office of Personnel Management to develop merit employment personnel systems with Indian tribes will not be funded in fiscal year 1984 out of the financial assistance budget line item. The interagency project with the Department of Energy for tribal energy development will not be funded in fiscal year 1984 out of the financial assistance line item. Opportunities to build solid personnel management systems have been provided for those tribes who have received assistance through the interagency agreement with the Office of Personnel Management. These gains are long lasting and do not necessarily require ongoing support. The interagency agreement with the Department of Energy is a contract with the Council of Energy Resource Tribes (CERT). CERT is a membership organization of tribes that own energy resources. It is expected that CERT will continue to provide energy development assistance without ANA funds and that tribes will generally obtain this assistance through direct purchase contracts.

(*c*) In the particular case of the interagency training program that is operated by ANA in conjunction with the Office of Personnel Management, is this training program going to continue if the training and technical assistance line item is eliminated?

Answer. The interagency agreement with OPM which provides a range of personnel and management services to Native American tribal organizations will not be renewed in fiscal year 1984. This interagency agreement effort has been successful in assisting many Indian tribes to develop merit employment personnel systems. The accomplishments to date, with specific tribes, are lasting and do not necessarily require ongoing assistance from ANA. For many tribes, the foundation for a more efficient and effective personnel system has been established. This is expected to have a positive impact with respect to tribal management, human services and other government functions.

(*d*) The Department of HHS is conducting an evaluation of the ANA-OPM program. When is the evaluation due? Can HHS at this time advise the Committee of the conclusions of evaluation?

Answer. ANA funded an evaluation of the training and technical assistance program from fiscal year 1979-82. The evaluation, completed in March of 1982 concluded with the following major recommendations:

Continue support for delivery of assistance to tribes for improved merit employment systems in cooperation with OPM

Emphasize the importance of linking T/TA requirements to specific project objectives in grant applications

Target energy development T/TA to tribes such that the assistance is tailored to local needs and conditions

Discontinue the use of sectional contracts

By the time the evaluation was completed, ANA already had undertaken actions with respect to all of those recommendations.

(7) The ANA budget justification recommends that research and demonstration and evaluation be eliminated as a line item. Research and demonstration programs are authorized under the Native American Programs Act. The rationale for the elimination of this program is that the focus of research and demonstration programs is to be changed to the dissemination of information on successful research and demonstration programs and that this function can be assumed in the financial assistance grants program.

(*a*) Does the elimination of the research and demonstration line item mean that there will be no more research and demonstration projects?

Answer. Yes. There will be no more research and demonstration projects funded by ANA. However, ANA will attempt to identify and disseminate information on exemplary projects and transferrable results of developmental efforts funded under the on-going financial assistance grants program.

(*b*) If so, will any on-going programs be terminated? If the answer is yes, please specify which programs, the grantee, the amount of the grant, and time remaining before the project was to be completed.

Answer. No. The projects funded through FY 1983 will not require further ANA support.

(8) Evaluation which is a part of the research, demonstration, and evaluation line item is also recommended for elimination, is authorized under a separate section of the Native American Programs Act. The pertinent section of the Native American Programs Act requires that the Secretary conduct the evaluation of these programs and prohibits persons directly involved in the administration of the programs that are being evaluated from participating in the evaluation. The rationale for the elimination of the evaluation program is that HHS can use "other authorities and resources" for the evaluation of ANA programs.

(*a*) How does ANA currently evaluate its programs? How often, what resources within HHS does it use, what sources outside ANA does it use, how much do the evaluations cost. (Note: These questions do not concern the evaluations that are conducted on a program-by-program basis and that are funded through the financial assistance grants program).

Answer. Evaluations of the Administration for Native Americans' programs are conducted through contracts. Two such contracts have been completed and two are currently underway.

An evaluation of the Training and Technical Assistance (T/TA) program was completed during Fiscal Year 1982. The evaluation contract was funded by ANA at a total cost of $387,000.

"A Preliminary Short-Term Evaluation of the Basic Grants Program of the Administration for Native Americans" was conducted by the Assistant Secretary for Planning and Evaluation (ASPE) at a cost of $99,975. This was conducted by the Department without any ANA funds.

A second evaluation by ASPE was initiated in FY 1983. This evaluation entitled, "A Short-term Evaluation of the Initial Implementation of the Social and Economic Development Strategy of the Administration for Native Americans," is expected to be completed by the end of June 1983 at an expected cost of $99,000. The project will provide an assessment of the implementation of local social and economic development projects funded by ANA. This project also is being conducted by the Department without any ANA funds.

The fourth contract initiated by ANA in March 1983 for $73,000 should be completed by the end of this fiscal year. Entitled "Defining Pay-off of Social and Economic Development Strategy (SEDS) Projects," it will examine the achieved and/or expected benefit of the ANA investment in Native American projects.

(*b*) The conducting of evaluations under the Native American Programs Act is not discretionary, it is required by that Act. Will the intent of the evalution section of the Native American Programs Act be satisfied by evaluations under the "other authorities and resources" cited in the ANA budget justification?

Answer. Yes. It is our opinion that these evaulations will fully satisfy the requirements of the statute.

(*c*) Will the "other authorities and resources" cited by the ANA budget justification permit evaluations conducted by examiners outside the Department of HHS? If so, how often and how expensive will such evaluations be?

Answer. Yes. As cited in the examples above, the "other authorities and resources" involve the use of outside specialists. The two ASPE evaluations—one in fiscal year 1982, and the second initiated in fiscal year 1983—were performed by outside contractors hired by ASPE to perform specified types of short range evaluations. These evaluations are conducted to answer specific questions and the costs vary depending on the scope of the specific study.

(*d*) How often will ANA be evaluated by HHS evaluators if the evaluation line item is not funded? How will such evaluations be paid for?

Answer. The Department already has supported two evaluations of the ANA program—one completed, and one underway—without requiring ANA funds. The frequency with which the ANA program will be evaluated will depend uon the questions that the Department has regarding the impact and effectiveness of the ANA program, after consideration of the results of the two evaluations that are currently underway.

(*e*) If ANA receives an appropriation at the same level of its Fiscal Year 1983 appropriation or in excess of that amount, will the Research, Demonstration, and Evaluation line item be fully funded? Will the Training and Technical Assistance line item be fully funded?

Answer. ANA is not requesting funding for the R,D & E and T/TA activities. We would prefer to target available resources on direct assistance to Indian tribes and Native American groups.

I hope that this information is helpful to you and is responsive to your concerns about the future direction of ANA.

Sincerely,

DORCAS R. HARDY,
Assistant Secretary for Human Development Services.

Senator ANDREWS. Senator Melcher?

Senator MELCHER. Thank you, Mr. Chairman.

Mr. Wichlacz, how long have you had this appointment?

Mr. WICHLACZ. I am in an acting position as acting commissioner. I have been acting since the latter part of November 1982. I was previously with ANA for approximately a year prior to that as the deputy to the commissioner.

Senator MELCHER. So, you have been with ANA for 1½ years?

Mr. WICHLACZ. Prior to that, I had 2 years on appointment in a planning policy position within the ANA. I left for less than 1 year, and then I came back as deputy.

Senator MELCHER. You have been in this position with ANA as deputy or acting director for 1½ years?

Mr. WICHLACZ. No. I have been acting just for a few months—2½ months or so.

Senator MELCHER. Prior to that time were you deputy?

Mr. WICHLACZ. For a year I was deputy.

Senator MELCHER. The deputy of ANA?

Mr. WICHLACZ. Yes; Deputy Commissioner.

Senator MELCHER. So, for 1½ years, you have been either one or the other. Where were you before that?

Mr. WICHLACZ. Before that, I was working with the Children's Bureau in the Administration for Children, Youth, and Families within the Office of Human Development Services.

Senator MELCHER. For how long?

Mr. WICHLACZ. It was less than a year.

Senator MELCHER. And before that, were you with ANA?

Mr. WICHLACZ. Yes, for 2 years.

Senator MELCHER. We have this 4-year period that you have been with ANA. It was interrupted, admittedly. To your knowledge, has this been asked for and by whom? I am talking about this proposal.

Mr. WICHLACZ. This proposal came through the normal budget process.

Senator MELCHER. Let us shorten it up. Did Stockman want it?

Mr. WICHLACZ. I do not know if Mr. Stockman——

Senator **Melcher**. Does OMB want it? Did they recommend it, or what? Where did it originate? Where was it hatched?

Mr. **Wichlacz**. OMB wants it.

Senator **Melcher**. Was it hatched in OMB?

Mr. **Wichlacz**. The idea came from OMB in the budget process, and is part of the President's fiscal year 1984 budget.

Senator **Melcher**. What year was it first discussed?

Mr. **Wichlacz**. The issue of ANA being separate as a program, independent of the Bureau of Indian Affairs, has been an issue that I had heard discussed with OMB for several years, Senator.

Senator **Melcher**. Four years back, anyway?

Mr. **Wichlacz**. As far back as I have had any knowledge or memory of the Administration for Native Americans.

Senator **Melcher**. Well, it is older than 4 years?

Mr. **Wichlacz**. At least that long.

Senator **Melcher**. During that 4 years, to your knowledge, has it ever been discussed with any Members of Congress?

Mr. **Wichlacz**. I do not have specific recall. It seems to me that we, at various times, responded to questions from the Congress on the differences between the Administration for Native Americans and the Bureau of Indian Affairs in terms of programs.

Senator **Melcher**. Discussing the differences is not like discussing this proposal. I am just asking if this proposal was discussed with any Members of Congress during that 4-year period.

Mr. **Wichlacz**. It is my understanding that this fiscal year 1984 proposal is a unique, original, new proposal.

Senator **Melcher**. Oh, it is? Where? When? Who?

Mr. **Wichlacz**. The budget development process was done internally within the administration. It is currently being discussed with tribal representatives.

Senator **Melcher**. Was it discussed with Indian tribes?

Mr. **Wichlacz**. It is a public issue. We have ongoing consultations with national Indian organizations, with Indian tribal leaders, on a regular basis.

Senator **Melcher**. Wait a minute. Let us take them one at a time. National organizations: when? What organizations, to begin with?

Mr. **Wichlacz**. One organization that I am familiar with and with whom I have had some specific contact is the National Congress of American Indians.

Senator **Melcher**. When was this plan discussed with the National Congress of American Indians?

Mr. **Wichlacz**. In the past week.

Senator **Melcher**. Was it discussed at a meeting, and, if so, who attended the meeting? I am just trying to catch up on this.

Mr. **Wichlacz**. I am sorry. I did not mean to imply more than I wanted to say. The proposition is clearly known in Indian country and among Indian tribal leaders and among national Indian organizations. They are aware of the administration's proposal.

Senator **Melcher**. I am asking: How they are aware of it, when was it discussed, and what was their imput? First of all, I am not aware it was discussed with them, and you say it was discussed with the National Congress of American Indians.

Mr. **Wichlacz**. In personal telephone calls that I have had and in personal meetings I have had over the past number of weeks——

Senator **Melcher**. A lot could happen in the past few weeks. Let us say 6 weeks. Is that about right?

Mr. **Wichlacz**. That sounds approximately right.

Senator **Melcher**. Have you had direct contact with a tribal chairman, or has anyone had direct contact with tribal leaders and said, "This is what we want to do and what do you think of it?"

Mr. **Wichlacz**. No.

Senator **Melcher**. To your knowledge, has anyone from the Indian community asked for it?

Mr. **Wichlacz**. Not to my knowledge.

Senator **Melcher**. I do not know why we are plagued with this lack of discussion about something like this. It is just thrown at us as if we are just to appropriate money to satisfy some sort of an idea that OMB has.

I do not know how much time to waste on it. I wonder how it would happen. First of all, it may not be legal, and secondly, if it is not cleared by Congress, then it will just be written into the appropriations and the money will be spent the way it has been spent. That will be it.

Unless you have some input from somebody who wants this, like Congress itself wanting it for some reason, or the tribes asking for it, then I wonder why we are even bothering to listen to it.

Is there anything in your experience that would indicate that the Bureau of Indian Affairs would enhance the program for these communities?

Mr. **Wichlacz**. In my experience and from the testimony that was recently given, I think there are enormous resources within the Bureau of Indian Affairs. We feel that the accomplishment in promoting social and economic self-sufficiency and self-determination by the ANA, with some coordination efforts at the Federal level, can provide greater success.

Senator **Melcher**. Who would be giving out the grants?

Mr. **Wichlacz**. That detail has not been decided on at this time.

Senator **Melcher**. What do you do besides evaluate the applications and give out the grants?

Mr. **Wichlacz**. I am sorry, I did not quite hear you.

Senator **Melcher**. What do you do down there at the ANA besides evaluate the applications and give out the grants?

Mr. **Wichlacz**. Within the Administration for Native Americans we have the Intra-Departmental Council on Indian Affairs which is a staff unit to the Department and which is organizationally within the Administration for Native Americans. The Commissioners chairs that department-wide council. That takes several staff people.

Senator **Melcher**. What do you do for Indians, other than look at these applications and decide who gets the grants?

Mr. **Wichlacz**. We are the focal point within the Office of Human Development Services for issues related to American Indians and Native Americans. We participate in other discretionary program activities in an effort to insure that Indian interests and concerns are considered.

Senator MELCHER. When you say within the department, you mean within the Department of Health and Human Services?

Mr. WICHLACZ. Within the Office of Human Development Services and within the Department at large.

Senator MELCHER. Has it something to do with concerns on health?

Mr. WICHLACZ. Not specifically.

Senator MELCHER. With education?

Mr. WICHLACZ. Education to the Native Americans?

Senator MELCHER. Job training, career opportunity?

Mr. WICHLACZ. Those are not specific activities we deal with. Our approach is to promote economic and social development that will create jobs——

Senator MELCHER. And provide some training and education.

But really the function that you are performing for the tribes and for the urban Indian is the question of economic opportunity in general; is it not?

Mr. WICHLACZ. That is correct.

Senator MELCHER. Do you allow grants for that economic opportunity?

Mr. WICHLACZ. Yes.

Senator MELCHER. That is your main function; is it not?

Mr. WICHLACZ. I would say so, yes. A majority of the funding and a majority of our activities relate to that.

Senator MELCHER. What is there about the Bureau of Indian Affairs that is going to be better able to deal with the evaluation and the awarding of grants?

Mr. WICHLACZ. We expect that the coordination with them will further the activities we already have with them on mutual projects that we feel we can move together on. We can have a greater overall impact in moving together on the economic development activities.

We think that we do the job that we do, well. We hope to do it better in cooperation with the Bureau of Indian Affairs.

Senator MELCHER. What is the change in money?

Mr. WICHLACZ. The details in terms of that have not been worked out at this time.

Senator MELCHER. As I listen to and read this testimony, it talks about block grants and States being able to work something out and the President's Indian Policy Statement and whatever this initiative is. But, unless this initiative means money and means somebody handling the money, then I do not think you are talking about what the ANA does.

I get the impression that this is what we are leading up to here—talking about the money and how it is going to be given out. Is that not right? Are you drawing some conclusions here?

Mr. WICHLACZ. I am not sure I clearly understand your question.

Senator MELCHER. Well, let me repeat it then.

You are talking about a program coordination with the Bureau of Indian Affairs. All the details have not been worked out. You refer to the President's Indian Policy Statement. You say that the administration will be sending to Congress a proposal that will make Indian tribes eligible for direct funding under social services block grants. You talk about this arrangement being more efficient and effective.

It seems to me that what you are leading up to is a proposal that the BIA should pretty much handle the Native Americans Act. Since your main function is the evaluation and the awarding of grants, then it seems to me that you are saying that the BIA will be doing that. You are inferring that perhaps or somehow this will lead to block grants to the tribes. Am I drawing the wrong conclusions?

Mr. WICHLACZ. That was not intended. I would like to clarify the relationships.

Senator MELCHER. Was any of what I described intended? When you say that was not intended, do you mean block grants are not intended?

Mr. WICHLACZ. There is no hidden message in that statement. I think if the description of what we propose suffers from anything, it may suffer from several people writing. It starts out with a single pen and several people add sections.

Senator MELCHER. Well, only the block grants are not intended?

Mr. WICHLACZ. The point that we were trying to make there, is that the Department has strongly supported the government-to-government relationship with Indian tribes with the authority provided under the five block grants that currently exist within the Department. The Secretary was given the authority but not the requirement to fund Indian tribes. He was given the authority to fund them where he deemed appropriate.

The Secretary of the Department decided that in all cases, where an Indian tribe wished to operate such a program, that they may. That is the way the rules were written.

There is the policy decision of the Department in support of the government-to-government relationship with Indian tribes. There are also two other major direct-funding pieces that would put Indian tribes on a routine institutionalized basis of government-to-government relationships with the Federal Government—one is the social services block grant and the other is the child welfare program in title IV-B.

The only intent there, Senator, is to draw together the various pieces and activities within the Department to reflect a policy decision, and a policy position that is strongly supportive of the President's Policy Statement. Our Assistant Secretary was a member of the subcabinet work group assisted in the development of the President's policy statement. That is Assistant Secretary Dorcas R. Hardy. That is clearly the only intent of those various statements.

Senator MELCHER. I have listened to so much of this in the last 2 years. So many programs have been proposed because somehow they are going to save some money. This does not sound like it is going to save any money.

So, I wonder if there has been any real thought given to the alternative: spend the same amount of money but get more mileage, which would be desirable. I do not see anything here on that.

I wonder why the proposals are made. I have never found the OMB to be very good about and I do not say this from a political or partisan viewpoint. I have just never noticed that the Office of

Management and Budget seemed to know about Indian tribes or Indian people or their programs.

We have constantly had, regardless as to whether the Republicans or the Democrats were in power, to put up with the Office of Management and Budget. Whatever their recommendations have been, they have seemed to be ill founded and poorly timed and not worth reviewing.

It seems to me that that is what this proposal is. I do not know why we have to have these things proposed to us in the nature of a change in programing which would mean that we would have to evaluate how much money we wanted to appropriate for it. We would have to evaluate whether it is legal, to begin with, as Senator Andrews has remarked. It probably is not, in terms of the legislative intent of the controlling act. I think we are wasting a lot of time.

From your testimony I do not see anything here that is conclusive in the decisionmaking process. I take it that is the case. It is something that is being discussed at a level within the Department and has a recommendation from OMB and is now being discussed for the past 5 or 6 weeks with the Indian organizations and tribal leaders, at least the tribal chairmen, with some discussion with the BIA during that same period of time. Is that about correct?

Mr. WICHLACZ. Senator, it represents a decision on the part of the Department and on the part of the administration to move in this direction.

Senator MELCHER. Well, moving in the direction—I am curious about that. I do not know exactly what is being moved. The testimony is to the effect of starting a proposal at somebody's request—which turns out to be OMB—to attempt to make a transfer of the responsibility of ANA to the BIA. That is what I think it is. Is that correct?

Mr. WICHLACZ. The details have not been worked out.

Senator MELCHER. There is a movement in that direction; is there not?

Mr. WICHLACZ. It is a movement at the Federal level toward greater program coordination and integration.

Senator MELCHER. Who would be in charge of ANA?

Mr. WICHLACZ. I am in charge of ANA at this time.

Senator MELCHER. If the principal functions are transferred to the BIA, who is going to be in charge of it? Are you going to move over to the BIA, or what?

Mr. WICHLACZ. This initiative has not been discussed in terms of any staff transfers being involved.

Senator MELCHER. Is the movement toward that?

Mr. WICHLACZ. There is nothing specifically indicating that that is the case; that is, that there is any involvement of staff in this action.

Senator MELCHER. Is it conceivable that you are going to be head of ANA and make the decisions that the BIA has the authority to decide who gets the grants, or how many grants are going to be given?

Mr. WICHLACZ. The decision has not been made in terms of delegating any specific functions to any other agency at this time.

Senator **Melcher**. Then what are you talking about? You are talking about movement in that direction; are you not?

Mr. **Wichlacz**. We are talking in terms of movement——

Senator **Melcher**. Well, seeing how it works out, with the BIA giving out the grants or advising on how the grants would be given out——

Mr. **Wichlacz**. It is an initiative that should draw the Bureau of Indian Affairs and the Administration for Native Americans closer in cooperation in areas of joint concern and joint program interest. I hope this will be for a greater gain without any intent to diminish the impact of the Native American Programs Act.

Senator **Melcher**. Well, I hope we are well aware of what you do intend to do and what the consequences might be, and whether there would be any changes in how we view ANA actions right now, and whether there would be any changes as might affect reservation Indians or urban Indians, either one.

Otherwise, I have a feeling that we may have to be very careful how the appropriations bills are done. We would like to know exactly what the implications are before the appropriations process is over with.

We will make recommendations on the appropriations. We will make recommendations on the budget when they are ready. I am advised that they are not yet ready. We will have that by March 1. We will have suggestions for the appropriations process. We would like to know exactly what we are appropriating.

I know of no reason to make any significant changes. I certainly know of no request by anybody to move a function of ANA into the BIA. Maybe we are missing something in our oversight responsibility in making sure there is not an overlap and that there is a complementary relationship and not duplication of the two agencies. Of course, should there be a lack of communication, we can correct that.

But, unless we know what is going on, I am apprehensive that we will miss the point and will be having to make some corrections through the appropriations process to make sure that the money is going to be spent the way we intended it to be. I do not think that is necessary, but your testimony leads me to believe that there are some changes being made here that have not been requested by Congress or by the Indian community.

If it is just some idea of the OMB, I think we would want to look at it very carefully before any changes of any significance are made. No agency has any problem telling us that they lack some coordination with one of the other agencies. There can be overlapping.

But I am not aware of that overlapping in terms of the function that you perform. If there were, I would want to consider it very seriously. But I am not aware of it here. I am not aware of anything like this in the BIA either.

It is just a question of each side knowing what the other is doing. I have no objection to that, but I do not know that I want to shift any responsibility one way or the other.

Is there some way you can alert us? Maybe we had better put on a reminder to request from you directly what hs changed since this hearing. This would be 2 or 3 months from now before we get into the appropriations process. So, you would feel free to advise us in response to our direct inquiry. I will make that suggestion to Chairman Andrews. Maybe we can keep on top of the developments, if any, with this proposal. We would like to know that before we get into the appropriations process.

Has there been any date, short of 90 days, where there has been a proposal for transfer of responsibility?

Mr. WICHLACZ. The target date has been established as the first of April.

Senator MELCHER. I was not aware of that. I did not notice that in your testimony.

Mr. WICHLACZ. I believe that is clearly stated in the budget justification to the Congress.

Senator MELCHER. What is happening in 90 days might be too late. There might have been wasted money or a lot of things may have been changed down there.

If you have a target date of April 1, how can you have testimony at the end of February that does not seem to know exactly what is being proposed? Is that your fault or that of someone else?

Mr. WICHLACZ. The target date for beginning the initiative is reasonable. I think it is. We need to work out the specifics——

Senator MELCHER. I am not going to agree with that. But, I do not want to prolong this hearing. I do not agree with that at all. I do not like these things that are hatched piecemeal.

First of all, if it originated at OMB, then I would have an initial reluctance to give it much credibility. Admitting that that is a bias, I would still look at it and see whether or not I was being unfair. But since you have gone beyond that and are tinkering around with what you are trying to do, then I do not want to start one of these things and then watch it unfold over the next 9 months or 18 months and learn that it was all a big mistake to begin with.

Drawing the plans for a house sometimes might work, but ordinarily it does not. That is about what this kind of a proposal is when you have a target date and want to initiate some action and then you feel your way along after you have initiated the action.

That being the case, the target date is antiquated. I will just discuss this with Chairman Andrews. I suspect that he has already decided that he wants to recommend that it not be implemented until you know what you are trying to accomplish and what the possibilities are and to see if there is any merit to it.

If it comes up again, I think we are going to have some cooperation down there so that we can really understand what you are doing. The target date will be put back, I think, and then maybe we can address this again.

If there is some reluctance on the part of the Department to initiate it, then perhaps we can have an inquiry so that you can give us all the details and bring us up to date.

I hope this does not inconvenience you or anybody else at the ANA, but I suspect that this committee would not want you to have a target date of April 1. We would want to look at it very carefully, knowing what it is, before it is implemented.

I want to thank you very much for your testimony today. We will work with you. I am sure other members of the committee would like to work with you, but I do not think we are going to want as much shifted as you have indicated without knowing exactly what that shift would entail.

Mr. **Wichlacz**. I thank you for the opportunity to be here.

Senator **Melcher**. Thank you.

At this time we will adjourn the hearing.

[Whereupon, at 4:10 p.m., the hearing was adjourned to reconvene the following day at 2:30 p.m. in room 342, Dirksen Senate Office Building.]

FISCAL YEAR 1984 BUDGET

FEBRUARY 24, 1983

U.S. SENATE,
SELECT COMMITTEE ON INDIAN AFFAIRS,
Washington, D.C.

The committee met, pursuant to recess, at 2:45 p.m., in room 342, Dirksen Senate Office Building, Senator Mark Andrews (chairman) presiding.

Present: Senators Andrews, Murkowski, and Melcher.

Staff present: Paul Alexander, staff director; and Peter Taylor, general counsel.

Senator ANDREWS. The hearing will come to order.

Today we will continue our hearings on the Pueblo Indian budget. Yesterday we heard from the Bureau of Indian Affairs in the Department of the Interior and the Administration for Native Americans in the Department of Health and Human Services.

Today testimony will be offered by the Department of Education, the Department of Housing and Urban Development, and the Indian Health Service in the Department of Health and Human Services. We are also going to hear from several tribal witnesses.

Before beginning today's hearing, I would like to inquire of Senator Melcher if he has any remarks he would like to make at this time.

Senator MELCHER. No. Thank you very much, Mr. Chairman. I am just pleased that the hearings are underway. I hope we have some pretty concise and direct testimony this afternoon.

Senator ANDREWS. The first witness will be Gary Bauer, Deputy Under Secretary for Planning, Budget, and Evaluation of the Department of Education.

Welcome. We are glad to have you here, Mr. Bauer. Let me assure you that your total statement, of course, will be included as if you gave it in full. You may summarize it any way you prefer, so we can get down to the questions.

STATEMENT OF GARY BAUER, DEPUTY UNDER SECRETARY FOR PLANNING, BUDGET, AND EVALUATION, DEPARTMENT OF EDUCATION, ACCOMPANIED BY DR. LAWRENCE DAVENPORT, ASSISTANT SECRETARY FOR ELEMENTARY AND SECONDARY EDUCATION, AND LAWRENCE BROWN, ACTING DIRECTOR, DIVISION OF ELEMENTARY, SECONDARY, AND VOCATIONAL EDUCATION ANALYSIS, OFFICE OF PLANNING AND BUDGET

Mr. BAUER. Thank you very much, Senator.

It is a pleasure to be here. I have a very brief statement, but before I summarize it, I would like to introduce Dr. Lawrence Davenport, Assistant Secretary for Elementary and Secondary Education, who is sitting on my right; and Lonny Brown, of my staff, in the Office of Planning, Budget and Evaluation in the Department of Education.

As I said, it is our pleasure to be here today before the committee to discuss the budget proposals for the Indian Education Act and impact aid programs for fiscal year 1984.

In concert with the administration's overall policy regarding separate funding for Indians not on reservations, we are proposing to terminate assistance under the Indian Education Act in fiscal year 1984. These programs will be phased down through a proposed rescission in 1983 and only minimal administrative support is requested in 1984 to allow for an orderly closeout of prior year awards.

Under section 3 of the impact aid program, payments to local education agencies which serve children residing on Indian lands are projected to be at an alltime high of $182.8 million in 1984. In addition to these funds, our 1984 budget includes a $10 million request for funds for school construction grants to LEA's which serve children residing on Indian lands—$1.5 million more than the 1983 appropriation for this activity.

For fiscal year 1984, $1,243,000 is requested to cover administrative costs of the Indian Education Program office and to support the National Advisory Council on Indian Education. Funds will be used to close out prior year grants and for other tasks related to conclusion of program operations. Limited administrative funding for the National Advisory Council will support the preparation of a final report and a final meeting.

The administration's 1984 request distinguishes between support for Indians living on or near reservations and nonreservation-based Indians. For a number of historical and legal reasons, Indians living on or near reservations enjoy a special relationship with the Federal Government—a relationship recently reaffirmed by the President in his January 24, 1983, statement on Indian policy.

This special relationship is manifested programmatically in the eligibility of this group for a variety of special services provided by the Bureau of Indian Affairs, including a number of educational support programs that parallel those available under the Indian Education Act.

Many of the BIA programs are bolstered by transfers of funds from other agencies. In education, for example, a transfer of over $18 million of chapter 1 funds for compensatory education is anticipated in 1984. Our budget is based on the proposition that it is not necessary for similar educational activities, like the Indian Education Act programs, to be carried out by different Federal agencies.

Indians not living on or near reservations should be treated just the same as other Americans in terms of Federal program design and operation. They should be—and are—eligible for the same Federal, State, and local services provided to other citizens.

Thus, any Indian student who is educationally disadvantaged is eligible for special services under education programs such as chapter 1. In addition, Indian students, like their non-Indian peers, are eligible for services under other education programs such as chapter 2, vocational and adult education, impact aid, bilingual education, and all postsecondary student aid programs.

We estimate that, at a minimum, all of these programs combined will result in over $350 million of support directly or indirectly benefiting Indian students and adults in 1984.

Under impact aid, the 1984 budget request for section 3 proposes to make payments at 100 percent of entitlement to districts whose "a" children, a category which includes all Indian children, amount to at least 20 percent of their total average daily attendance.

Of the approximately 330 districts in this category, about 245—nearly three-quarters—serve Indian children. Districts which do not meet this 20-percent level will receive payments prorated from full entitlement. We currently estimate that this will be at the level of at least 50 percent of entitlement.

The 1984 impact aid budget also includes a request for $10 million for construction of school facilities in districts which serve children residing on Indian lands. This is the only construction activity for whch funds are requested by this agency in 1984. We expect to be able to fund three projects with these funds.

That is our opening statement. As I said, we would be happy to answer any questions that you or the committee might have.

Senator ANDREWS. Thank you very much.

I would like to know one thing before we go into the questions, and that has to do with the requested rescission for the Indian Education Act program.

I am aware of the Department's requests. I am sure you are aware of our attitude toward that request for a rescission. I am actively opposing this request, and I do not intend to take up any time on it today because today's hearing is to look at the fiscal year 1984 budget. But I do not want anybody in this room to be under any kind of impression that we are not actively opposing that rescission; in fact, we filed the proper letters and all of the rest on behalf of the committee.

In the justification for appropriations for fiscal year 1984, your primary justification for closing out the title IV program is, and I quote:

> It is neither necessary nor appropriate to provide these services either to Indians living on or near reservations or to other Indians. The former group should be, and is, served primarily by BIA programs. The latter group should be served by programs for which they are eligible on the same basis as other disadvantaged Americans. In neither case is an additional, special program required.

Now, what is the basis for this statement? Bear in mind that there has been no request by the BIA nor by the Department of Education for increases in education programs to which you refer.

Mr. BAUER. Well, Senator, as we said in the statement, there is a special Federal relationship with certain Indians, those living on or near reservations. The Bureau of Indian Affairs in the Department of the Interior is the agency which has been given the special responsibility to fulfill that historical relationship.

In the case of the Department of Education, we obviously have concerns about the education of Indians. But in reviewing the programs that we have, including programs such as chapter 1, aid to disadvantaged children, we feel we were adequately able to cover the needs of those Indians not living on or near reservations through those programs such as chapter 1, and that because of the coverage of those programs, there was no need to have a special additional program for Indians as a specific group.

Senator **Andrews**. Well, the BIA witnesses yesterday stated that they could not pick up the title IV program services. We have had lengthy testimony on this. It appears that the Department of the Interior does not agree with the Department of Education's decision to close out title IV.

But who falls through the cracks, the Indian children? One agency of this Government is saying, "No way can we do it; it ought to be handled someplace else." The someplace else says, "We cannot do it; it ought to be handled where it has been handled."

I have been in Congress ever since this program was established. The Department has never made these statements before. We cannot help but wonder why you are saying this now, when you have consistently fought for and defended this program in past years.

Mr. **Bauer**. Well, two things, Senator. First, I would call your attention to the additional $50 million that we are providing in 1984 in impact aid for those school districts which are serving large numbers of Indian children.

Second of all, the reason that we are coming forward with this proposal this year is that the administration has reviewed Indian programs government-wide and obviously the proposals of the Department reflect the review that has been made overall by the administration as it looked at various programs addressing Indian needs.

We do not believe that there is going to be any falling through the cracks of Indian children. If we are dealing, for example, with an Indian child who is educationally disadvantaged and is not on or near a reservation so that he cannot be served by BIA programs, we fully expect that that child will receive the necessary assistance through the Department's regular chapter 1 program, not because he is an Indian but because he is an educationally disadvantaged student who needs that assistance.

Senator **Andrews**. But the point is, if we transfer them, hand them off from one program to the other, we are not really saving any money to the overall taxpayer. As a matter of fact, we are getting them outside of the programs that they are used to, that are functioning quite well, and that your predecessors have defended on a totally bipartisan basis over all the years of the past.

You are not saying it is going to cost any less to educate them outside of these title IV programs, are you?

Mr. **Bauer**. I think it remains to be seen what the bottom line impact of the changes will be, but I think, purely from a management and efficiency standpoint, it does not make sense to duplicate special programs aimed at Indian populations other than the programs that are currently in the BIA.

Senator **Andrews**. The thing that bothers me is this. It looks as if you may possibly have been told to cut the overall Department budget, and then you took out a big chunk on this particular program because you could get it all out and then hopefully transfer it to somebody else and let them count it in their budget.

That is where the problem comes, because there is not that expansiveness in the BIA budget.

Mr. **Bauer**. Well, Senator, I understand your concerns.

Senator **Andrews**. Well, if you could provide for the record some additional information on specifically where these students are going to go and who is going to fund them and why the other Department that is picking up the funding has got some wonderful hope chest that they can pull out this money from that you do not seem to have in your Department, we would appreciate it.

It is kind of like the old game of musical chairs, you know. The music plays, one chair is removed, and everybody rushes for what is left.

Mr. **Bauer**. Senator, I would like to reiterate that to the extent that we are talking about Indians who do not live on or near reservations, we are not suggesting that the Bureau of Indian Affairs is going to pick up those Indians in their programs. We are suggesting that the other programs that the Department of Education runs, including chapter 1 and bilingual education, and the numerous other programs that we have, will be able to address the needs of those Indian children not on or near reservations, to the extent that they are educationally disadvantaged, or to the extent that they meet the eligibility criteria of other programs within the Department.

For example, in the higher education area, to the extent that an Indian student wants to avail himself of an opportunity to attend an institution of higher education, this Department has sent to Capitol Hill, or will be sending to Capitol Hill in the next couple of weeks, proposals which more strongly target such aid to families with adjusted gross income below $12,000.

We believe this is another example where policy changes we are recommending within the Department will enable us to serve the Indian population, along with others in the population who qualify for those programs, not on the basis of their being Indians but on the basis of their being needy students.

We would be happy to provide any additional information that you feel that you have not received for the committee records.

Senator **Andrews**. The information we would like to have is where these educational costs are going to be absorbed, which pot we are going to take them from, because certainly the educational need of the child is not wiped off just because one group says, "Hey, we're going to stop funding because it can be taken care of over there."

It would be interesting to see where those flow lines might go. It could help the committee in its jurisdiction if you could provide that material, or any other data along that line that you could for the record.

[Subsequent to the hearing the following information was received for the record:]

ESTIMATE OF EDUCATION FUNDS BENEFITING INDIANS

[Dollars in millions]

	Estimated number of Indian students benefiting	1983 continuing resolution	1984 budget request
I. Programs specifically targeted to Indians:			
Indian Education Act: Grants to LEAs, Indian tribes and organizations, Indian-controlled schools, and individuals to address the special educational and culturally related academic needs of Indian children and adults	337,000	$64.7	....
Impact aid—maintenance and operations: To compensate school districts for the cost of educating children who reside on Indian lands	94,650	137.9	$183.8
Impact aid—construction: Direct grants for the construction or repair of urgently needed school facilities	N/A	8.5	10.0
Chapter 1—BIA setaside: Direct transfer of ED funds to the BIA for use at BIA operated and contract schools. Provides compensatory education services to disadvantaged children	32,700	19.8	18.9
Vocational and adult education: Proposed legislation to consolidate existing categorical programs which support vocational and adult education into a block grant to the States. The legislation would permit a reserve of funds for certain national programs, including special programs for indians	146,000	6.6	5.0
HEA title III—institutional aid: Programs to assist institutions of higher education which have limited financial resources and which serve significant percentages of low income students	3,700	1.8	1.8
Education for the handicapped—BIA setaside: To offset part of the excess costs of educating handicapped children. One percent of the funds appropriated for the State Grant program is transferred directly to the BIA for use in BIA schools	4,600	9.6	9.9
II. Other programs supporting Indians:			
Chapter 1: Grants to LEA's to support supplementary compensatory educational services designed to increase the educational attainment of economically disadvantaged children to a level appropriate for children of their age	95,000	53.8	54.6
Chapter 2: [1] Block grants for improving elementary and secondary school programs, awarded to all 50 States, District of Columbia, Puerto Rico, and five outlying areas. At least 80 percent of the funds are reallocated to local school districts	N/A	4.0	4.0
HEA title IV—student aid: Programs of financial support for needy students attending institutions of postsecondary education, including guaranteed students loans, proposed self-help grants (to replace Pell grants), and college work-study	40,000	42.0	42.0
Education for the handicapped: [1] Grants to assist States in insuring that all handicapped children have available to them a free, appropriate public education, based on the number of handicapped children receiving special education in each State	20,000	5.1	5.1
Rehabilitation services: [1] Grants to States to assist physically and mentally handicapped individuals to prepare for and engage in gainful employment to the extent of their capabilities	5,000	6.1	6.1
Bilingual education: Grants to school districts to address the severe academic problems of school children who are limited English proficient	18,000	12.6	9.1
Totals		372.5	350.3

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[1] Estimates based on Indian's proportional distribution in the population.

Senator ANDREWS. In your budget justification, when discussing part A, you refer to the BIA's Johnson-O'Malley program, stating that the BIA program is virtually identical to those authorized by part A. Are you aware that the BIA is requesting no increase for Johnson-O'Malley for fiscal year 1984, or was allowed to request no increase for Johnson-O'Malley?

Mr. BAUER. Yes, I am.

Senator ANDREWS. With no increase for Johnson-O'Malley, how can they absorb these new children being moved into them?

Mr. BAUER. We are not suggesting, again Senator, that the children who will no longer have available to them the Indian education program in the Department of Education will have to be picked up by the BIA in the Johnson-O'Malley program. We are suggesting that other programs in this Department, including the sizable increase of $50 million we are recommending for 1984 in impact aid, will help meet the change that we are recommending in the Indian education program.

Senator **Andrews**. Well, as I recall, looking at impact aid, that has been cut sharply as well.

Mr. **Bauer**. No, it has not, Senator.

Senator **Andrews**. How many students currently served by part A are also currently participating in the Johnson-O'Malley program?

Mr. **Bauer**. Let me see if I can get my colleagues to help me out on this, Senator.

Mr. **Brown**. About 160,000 to 170,000.

Senator **Andrews**. Will the closeout of part A increase the Johnson-O'Malley service population?

Mr. **Bauer**. No, it would not have any impact on the Johnson-O'Malley population.

Senator **Andrews**. Are you aware that the GAO did an investigative report in June of 1981 which stated, that, overall, due to local coordination of the programs, and that any duplication or potential duplication of services could be prevented by required local coordination?

Mr. **Bauer**. I am not familiar with all the details of that report, but again, Senator, I would like to emphasize that the budget proposals are not particularly based on an assumption that there is great duplication, but only again on the philosophy that the Federal Government's responsibility to Indians is specifically centered on those Indians who are on or near reservations, and that, to the extent that we are not talking about that portion of the native American population, we can address the needs of those Indians through the normal programs offered by the Department of Education and other departments in the Government, depending on the extent to which those Indians have unmet needs.

Senator **Andrews**. Except for the fact that Congress passed the Indian Education Act and specifically included urban and non-federally recognized Indians for the service population of title IV.

Mr. **Bauer**. We are expressing the philosophy that the administration embraces, Senator.

Senator **Andrews**. Well, actually, what you are doing is that you are asking for head-to-head confrontation of the philosophy of the administration versus the philosophy of Congress. Since Congress writes the laws, the administration is expected to conform with those laws and have their budget submissions in line with the laws that have been passed by Congress in its bipartisan wisdom, or lack of wisdom, whichever it might be.

Nonetheless, it is the law of the land, and it is accepted as such by the Indians and non-Indians alike. That is why it is a little surprising to see the budget submissions that you come with.

As to the part B resource and evaluation centers, the committee is hearing from some of them that they are being disfunded now; as of the 25th of this month, the contracts will not be renewed.

How many centers are presently funded by the Office of Indian Education?

Mr. BAUER. Dr. Davenport can provide you with those statistics.

Dr. DAVENPORT. I do not know which ones you are talking about, Senator. We have three technical assistance centers that are in operation. It is our anticipation that there will be three in operation later on this year.

Senator ANDREWS. These are the part B resource and evaluation centers?

Dr. DAVENPORT. Yes, sir.

Senator ANDREWS. And there are three of them that are presently funded by the Office of Indian Education?

Dr. DAVENPORT. Yes, sir.

Senator ANDREWS. How many are scheduled to close on the 25th?

Dr. DAVENPORT. None that I know of, sir.

Senator ANDREWS. Good. Are the beneficiaries of this program limited to title IV programs, or do the centers also serve Indian education programs such as tribally contracted schools that are funded through BIA?

Dr. DAVENPORT. Yes, sir, they primarily serve Indian Education Act program grantees.

Senator ANDREWS. As to part C, Indian adult education, you note that the educational needs of Indian adults are still great and that there has been substantial improvement in the numbers of Indian adults completing high school.

Would you say that title IV was responsible for this improvement?

Mr. BAUER. Well, Senator, as you know, that program has never been funded at a large level. I certainly would not say that the program is responsible for all the improvement. It certainly has contributed to it, however.

Senator ANDREWS. What percentage of Indian adults receiving training are members of federally recognized Indian tribes or Alaskan native communities?

Mr. BROWN. It is about half, Senator.

Dr. DAVENPORT. It is about 60 percent, Senator, but we will get the exact figures and provide them to you later.

[Subsequent to the hearing the following information was received for the record:]

INDIAN ADULT EDUCATION

Approximately 65 percent or 8,252 of the 12,695 adults participating in the forty-nine projects operating in the 1982–83 are members of Federally-recognized tribes. Thirty-six of the forty-nine grants were awarded to Federally-recognized tribes or organizations affiliated with same. The remaining thirteen projects (4,443 participants) are either operated by urban centers and serve a mixed target group or serve non-Federally recognized Indians only.

Senator ANDREWS. How many of these programs are located in urban areas and how many of these programs are contracted to non-Federally recognized tribes or Indian entities?

Mr. BAUER. in 1982, 24 of the awards were in urban areas and 19 were to non-Federally recognized Indian groups or organizations.

Senator ANDREWS. I might point out that the Indian Definitional Study that was sent up by the Department of Education did not call for any change in the service population for title IV. The budget for the impact aid's operation and maintenance programs does not include moneys in fiscal year 1984 for section 3(b) children. If Congress reauthorizes payments for "b" children, how would this increase in eligible school districts affect the proposed budget?

Mr. Brown. It would have the effect of decreasing funds available for 3(a) children, the category which includes children residing on Indian lands.

Senator Andrews. Yes. The reason for the question is, I understand Senators Stafford and Hatch are going to introduce legislation to put the "b" children back in again.

Mr. Brown. Senator, in 1983—we are only projecting about $58 million for "b" students. We can only guess at how much of an impact including those students would have on the total overall budget in 1984. We do not know who will apply. It could change our proposal radically.

For example, last year the Congress required that we not make payments to districts with lower than $5,000 payments. This year, our proposal includes payments for districts that would receive less than $5,000 in impact aid payments.

I would suspect that we would reconsider that policy. The reason we made that particular change in policy was because we could not see any reason to penalize a district on the basis of a small number of "a" children. If you added "b" children we would have to rethink our policy.

Senator Andrews. I certainly support your proposal for funding "super a" districts at 100 percent of their entitlement. However, I am sure that the non-"super a" districts—and it would seem, too, the "b" districts—are going to object. Almost every one of us has more in the "b" category and the non-"super a" category than we have in the "super a" category.

If your proposal is not approved by Congress, what will the funding formula for the "super a" and "a" districts be? Are you going to split it and leave it at, what was it, 80, 85, 90 percent?

Mr. Brown. No. The current proposal is to pay 100 percent of entitlement for all "a" children in "super a" districts. The proposal includes, then, proration of the remainder for "a" children in non-"super a" districts. We are estimating that those payments would be somewhere around 50 to 52 percent of full entitlement.

That differs from last year's appropriations, where we paid 95 percent of the 1981 payment for "super a's." In entitlement terms, that is considerably less than what we are proposing to provide now.

Senator Andrews. How many of the school districts with Indian students are "super a"?

Mr. Brown. It is about 245.

Senator Andrews. How many are non-"super a"?

Mr. Brown. Let me get my notes and numbers.

Senator Melcher. What was that number?

Mr. Brown. 245.

Senator Melcher. "Super a" that have non-Indian children or Indian children?

Mr. Brown. That have Indian children.

Senator **Melcher**. How many school districts are "super a"?

Mr. **Brown**. There are 245 "super a" districts that have Indian children.

Senator **Melcher**. Oh, I thought your number was how many individual students there were.

Senator **Andrews**. Oh, no.

Mr. **Brown**. No. I can give you that, though.

Senator **Andrews**. How many districts?

Mr. **Brown**. About 400, sir.

Senator **Andrews**. There are 400 districts that are non- "super a" districts with Indian children in them?

Mr. **Brown**. Yes.

Senator **Andrews**. All right. I also like your proposal to allow newly eligible schools in the program.

What is your estimate of the number of Indian children being served by local public schols not currently entitled to receive 874 moneys?

Mr. **Brown**. We would really have no way to know that. If they do not apply, we do not know.

Senator **Andrews**. Do you have any estimate of how many will apply if the proposal goes through for 874 moneys?

Mr. **Brown**. No; I do not.

Senator **Andrews**. Should you not have looked at that before you made the proposal to allow these districts to become newly eligible for 874, or did you just toss that one out and think you would wait and see what kind of response you get back?

Mr. **Brown**. Could you restate your question?

Senator **Andrews**. Well, I pointed out that I like the proposal you have made to allow newly eligible schools into the program. Then I asked what was your estimate of the number of Indian children being served by local public schools that are not entitled to receive 874 moneys, and you said you did not know. Then I asked how many school districts did you estimate will apply if your proposal goes through for these 874 moneys, and you said you had no idea.

Mr. **Brown**. I do not.

Senator **Andrews**. So you are floating the proposal that could be accepted by a number of districts out there, but you have no idea how many districts might accept it. Or, am I wrong?

Dr. **Davenport**. Again, Senator, what you are talking about is the proper Federal role. We believe this initiative reflects the proper Federal role. There was no way that we could have calculated in advance the number of districts that would apply. That does not mean that it is not a solid proposal. We are simply recognizing that the Federal Government should be involved in this initiative.

Senator **Andrews**. Well, I think it is a very solid proposal. I told you I favor it. The only thing is, I was wondering if anybody had taken a look at the budget impact if this proposal is followed through, because one of the first questions you are going to be asked is how much it is going to cost if we do this, because it sounds like it is something we ought to do.

I agree with you. We ought to do it; it makes sense. If they are eligible, they ought to be eligible. You ought to let new ones come in if the program is worth while. But I am appalled that you have no idea how many might want to come in under the tent.

Mr. **Brown**. It is unlikely that there are many. It is much more likely that they are included already.

Senator **Andrews**. As to the construction component of the impact aid program, the 815 moneys, you state that there is currently a need of at least $241 million to fund the 97 applications currently submitted. That is a monetary figure that you state is an underestimate; yet you request only $10 million for funding of up to three projects on Indian lands.

Mr. **Brown**. Yes, sir.

Senator **Andrews**. How come you have asked for so little money if the need is so great by your own figures?

Mr. **Brown**. Well, actually, to put that in perspective, it is about $1.5 million over what it was last year, and, in addition, we are limited to $10 million for sections 14 (a) and (b) by the Reconciliation Act.

Senator **Andrews**. The trouble that we are faced with, and I am sure you know it because I hope you have been out on some of these school districts, is that many of the public schools that serve Indian children, due to the lack of available tax base out there, are in deplorable condition.

Mr. **Brown**. Yes, sir, we are aware of that.

Senator **Andrews**. They are totally unsafe for the children. Is your estimate of the amount necessary to bring these schools up to standard that figure of 200-and-some-odd million dollars, or do you estimate it to be far higher?

Dr. **Davenport**. Mr. Chairman, that get to be very difficult. In the application process, the moment the school applies, they get a tentative priority number and go on a list. They are never removed from that list until funding becomes available, even though some of them might have been on that list 10 or more years.

Some of the needs which are on that list and included in the $243 million may not be real needs today, so it becomes very difficult to theorize on what the real needs would be. After having applied and waited several years, a school district may have gone ahead and provided some minor renovation; that school may not even be in use today, or there may have been other changes such as mergers with other school districts in that time. But, they are still carried on that waiting list as much as 15 years after they applied for Federal funds.

Senator **Andrews**. Well, I would certainly think those lists ought to be updated so we know where we are. But, the thing that appalls me is the fact that—I do not have to tell you; I am sure you know—100 years ago, when they were determining where the Indian tribes should be pushed on their reservations, for some strange reason, they picked some of the poorest land, some of the lowest yielding land. Now, when we are trying to educate those children on or near the reservations in a public school, the public school happens to be near the reservation, some of the poorest land is supporting that school. The capital base to fund the buildings is almost nonexistent.

If we are interested in this partnership of education of Indian children in a public school district, we have to address ourselves to the availability of funds to construct or reconstruct the buildings. It is a deplorable condition out there. It is one of the great needs that we have.

Again, they fall through the cracks. If it is on the reservation, if it is a BIA school, we have some funds for that. If it is a public school, because we are pulling out capital funds under impact aid, there is just nothing there. Yet, everybody says we are better off having the public school, the joint education opportunity and all of the rest. We fail to address it when we do not make adequate provisions for the capital costs of the buildings.

Dr. **DAVENPORT**. Senator, the point here is that these are funds that are calculated for school districts located off the reservation. As you said before in your discussion, BIA provides for those schools on the reservation. We are talking about those that are not on reservation lands. It is not just Indian students we are talking about.

Senator **MELCHER**. Will the Senator yield?

Senator **ANDREWS**. I will be glad to yield.

Senator **MELCHER**. How does the BIA provide funds for these schools on the reservations that are public schools, for construction?

Dr. **DAVENPORT**. They do not, sir.

Senator **ANDREWS**. They do not, for public schools.

Senator **MELCHER**. Well, I am asking for public schools.

Dr. **DAVENPORT**. Not the public schools.

Senator **MELCHER**. What did you just say? That these funds are for schools off the reservation. For those on the reservation, the BIA provides construction costs.

Dr. **DAVENPORT**. I misspoke if that is what I said, Senator. I did not mean to say that.

Senator **MELCHER**. Well, you certainly do not think that, do you?

Dr. **DAVENPORT**. No, sir.

Senator **MELCHER**. If they do, I would like to know what happened to our reservations that are not getting any BIA money for public schools on reservations.

Are you in favor of public schools on reservations?

Dr. **DAVENPORT**. I am in favor of public schools everywhere in America, sir.

Senator **MELCHER**. Fine. Then you must also be in favor of construction.

Senator **ANDREWS**. Let us run back once more and I will let my colleague continue with his questions or whatever he wants. I have a number of questions for the record.

But again, your statement, not mine, says that there is currently a need of at least $241 million for this kind of construction. You go on to say in your statement that this is clearly an underestimate.

My concern is that after saying that the need if $241 million—and that is an underestimate—that you ask for $10 million. I have been on those reservations. I know what state many of those public schools are in, and I know the lack of tax base to fund construction or reconstruction of those schools out on the local economy. That is why I am concerned about it.

Mr. **BROWN**. Not all the projects on this list are schools on reservations, and I think that is what Dr. Davenport was referring to.

Senator **Andrews**. They are schools on or near reservations.

Mr. **Brown**. That is correct. And again, the regulations and the statute specify the priority order in which we are to address those different projects.

I do not happen to know whether some of the applications are for schools on reservations. Window Rock, which is No. 3 on the section 14 (a) and (b) waiting list; is that a school on a reservation? I believe it is.

Senator **Andrews**. It is Navajo, yes.

Mr. **Brown**. But some of these are not. We take them in priority order. The point is that for many of these districts that are not located on Indian reservations, there are other funds. I mean, there are local revenues available.

Senator **Andrews**. Sure, there are local revenues, but——

Mr. **Brown**. And there is some responsibility on the part of the State.

Senator **Andrews**. Again, I tried to make the point that in my State of North Dakota, we have roughly three classes of land. We have the Red River Valley land and we have our prairies and then we have some land that is a lot less suitable than that.

For some strange reason—I suspect you and I know what the reason was—there are not any Indian reservations down on the Red River Valley land, which is worth three or four times as much and provides a good tax base to support schools and all the rest.

I do not care whether the school is on or off the reservation. If it is a public school, the resources have to be the land that supports it. The land on or near Indian reservations in my State, and I would suspect in Montana and a number of other States, is not the highly productive land; it is land that is just damn tough to get an adequate tax base.

We have been looking at the problem. We have been saying: Yes, there is a problem. Then we have been hiding our heads in the sand, thinking it is going to go away. As a result, those buildings get older and older and the educational opportunities get poorer and poorer, and it is just very tough, not only to educate children, but to attract teachers to come and teach in those schools. So the education suffers many different ways.

Dr. **Davenport**. Senator, we should separate this into three parts. What we are proposing here is the Federal Government's role. I think you would agree there is a local role, and there is also a State role. All three should do their part.

When you start to separate them, you must ask, What is the Federal Government doing here, and what is the local government doing, then the State. All three share part of the responsibility for the need that arises for construction costs.

Senator **Andrews**. And in our State, our State supports $1,400 per student, which is pretty high for the State base. The rest is supplied by the local base.

Now, the Indian student comes from living on a reservation. He is probably not employed in a tax-paying business in the town. That is a double whammy to support that school from one of the lowest tax bases ever.

The tax base that supports the schools in the District of Columbia is four times to five times as high per student than any tax base that we have out in North Dakota. Yet they say the Federal fund needs are much higher than the amount of Federal fund needs that we are putting into those joint schools that support the Indian children in a State like North Dakota.

I think the problem is such that we cannot ignore it much longer. I would hope that we do not have too many more statements coming up saying there is a need for $240 million; that figure we underestimate—it is really more than that—but we are only going to address it by doing $10 million worth.

That is the thing that set me off today. I could go on my own fine. I am just taking your figures, running them back by you, and saying that I agree with you, but you made the case and then you refused to respond to it.

Mr. **Bauer**. Senator, there are a lot of priorities that the Department of Education has to address in its budget. You are probably aware of the fact that last year we projected a budget for 1984 for the entire Department of $9 billion. Instead, we have come forward with a budget for 1984 of $13.2 billion, and in that budget we had the interests of quite a few groups to consider, including educationally disadvantaged children, the handicapped, children served by bilingual education programs, and all the programs we have that serve students attempting to attend institutions of higher learning, which takes about 44 percent of our budget.

We had to make some difficult decisions within the confines of that $13.2 billion, and we think we have made decisions which are justifiable, and we stand by that budget.

We are the first to admit that that means we were not always able to provide all of the funds that everybody, perhaps, on Capitol Hill would like us to have given to every program that we have in the Department's budget. We think that we have made some very difficult decisions and made them well, and we stand by them.

Senator **Andrews**. Senator Melcher?

Senator **Melcher**. Mr. Bauer, after that speech, let me ask you a series of questions to figure out what you do stand by.

Do you recognize the difference between providing educational opportunities for Indian students as being different from non-Indians or not?

Mr. **Bauer**. The administration's policy is that the Federal Government has a special relationship and responsibility to Indians living on or near reservations.

Senator **Melcher**. Which is a trust responsibility. I do not want to add words to your thinking or to whatever the administration's policy is, but I just want to see if it tracks that far. Is it a trust responsibility?

Mr. **Bauer**. I would prefer not to use those specific words but rather to say that we recognize that we have a special responsibility, and that is why we have the programs in the Bureau of Indian Affairs to address those responsibilities.

Senator **Melcher**. Is a special responsibility any different than a trust responsibility? I want to find out what the program is nowadays. Is it trust responsibility or not?

Mr. **Bauer**. I cannot speak for the entire administration and the concept, other than to say we recognize a special responsibility.

Senator **Melcher**. Well, how long have you dealt with Indian education?

Mr. **Bauer**. I have been at the Department of Education for 5 months.

Senator **Melcher**. For 5 months. In your past background, did you deal with Indian education anywhere?

Mr. **Bauer**. No, I did not.

Senator **Melcher**. Well, there are a lot of people, through the course of the last 100 years or so, who have tried to develop what this trust responsibility is, and I use the word trust deliberately. Part of that trust responsibility to the Indian tribes has been education. That has been one of the cornerstones of it.

Now, I am not going to hold you to the fire here as to whether what you term special responsibility is really a continuation of the trust responsibility, if you have only been at the Department 5 months and have not had any previous experience with it. But most of us .feel that there is a trust responsibility and that part of that is education of Indian children. It is a very serious one. So we view it rather differently that we do a lot of other things.

We do not do much on the Federal level for education. I hope you agree with that. Almost all of the educational costs for elementary and secondary education are borne by either the local taxpayers or States. But when we get to Indian children, this trust responsiblity takes over.

Now, how many students are going to be under what you are calling "super a" and regular "a"? How many students total, not just Indian children, are going to be on impact aid lists this year?

Mr. **Bauer**. While the staff is getting that figure, Senator, first of all, I would certainly agree with you that the Federal contribution to education is not large overall, because this administration believes—and I think that it has been a belief shared by most in Congress—that education is essentially a State and local responsibility.

Senator **Melcher**. Let us separate that out, though.

Mr. **Bauer**. Yes, I am talking about the overall Federal contribution. When we are talking only about Indians, this administration recognizes a special responsiblity to Indians on or near reservations.

We do not believe that an Indian child, for example, living in Philiadelphia, whose father may be an attorney and making as much as you or I, has some special claim on the limited resources of the Federal Government to provide educational services for that child, unless that child is in some way educationally disadvantaged or qualifies for one of the other programs that the Department offers to help State and local governments meet the needs of children.

Senator **Melcher**. I am not going to worry about Philadelphia, believe me. We will make more headway on these if we do not go off on those tangents. Now, we are going to be talking about the same thing, believe me, Mr. Bauer. But we are going to have to start on whether or not this special responsibility for Indian education for elementary and secondary students on a reservation is a whole responsibility.

I know of no State that feels that it is their responsibility. It is new thinking if you think that a few of the States feel that it is their responsibility to pay for the education of children on a Indian reservation, or of Indian children on a reservation. I do not think you think that, do you?

Mr. **Bauer**. No, sir. I do not beleive I have said that, either.

Senator **Melcher**. Well, that is where we are getting with the trust responsibility, and that is why it is important to know what we are talking about. Special responsibility may mean—well, we have got to give special amounts—not meaning that we are not going to be the responsible part of Government that has to provide education for Indian children on a reservation.

Now, what do you mean, on or near? I know what on a reservation is, but I want to know what the Department is thinking when they say near a reservation.

Mr. **Bauer**. Well, I was only using the phrase, Senator, that I understand has been used in the legislation and the programs, that differentiates between Indians on or near the reservations and Indians which do not fit into that category.

Senator **Melcher**. Well, if you mean what has been done before, we know where we are. But it what has been done before is going to be followed, I want to understand that from you. What does it mean do you know?

Mr. **Bauer**. The phrase on or near the reservation, in my understanding, refers to the differentiation that is currently made for a variety of Indian programs.

Senator **Melcher**. Are Indian children at Great Falls still eligible?

Mr. **Bauer**. Where is Great Falls?

Senator **Melcher**. It is in Montana. Not Great Falls out here. Great Falls, Mont. Is it eligible?

Dr. **Davenport**. It depends on which program they are being served under, Senator.

Senator **Melcher**. That is what I want to understand because now you are talking about "super a" and "a."

Dr. **Davenport**. On impact aid, that definition would- -

Senator **Melcher**. I an talking about impact aid.

Mr. **Brown**. All Indian children are "a" children, sir.

Senator **Melcher**. Pardon me?

Mr. **Brown**. All Indian children are, by definition, "a" children.

Senator **Melcher**. "Super a" or not?

Mr. **Brown**. That depends on how many of them there are in the district.

Senator **Melcher**. They are all "a," but "super a" will be where there is 20 percent or more of the enrollment within a district is Indian.

Mr. **Brown**. That is correct, sir.

Senator **Melcher**. Now, what is the difference as it affected Indian children last year? Let us use Great Falls, Mont., as an example.

Mr. **Brown**. You want to know how much more they may get this year?

Senator **Melcher**. No; I want to know whether they are still in the same category, and we are just going to count how many are in the school district——

Mr. Brown. I honestly do not know whether the Great Falls school district is a “super a” district or not. If it was last year——

Senator Melcher. Well, do you even have the authority, or would you even have the authority, under the Constitution, to treat an Indian child differently at, let us say, Box Elder, where 20 percent of the enrollment is going to be Indian children, from an Indian child in Great Falls, 60 miles away, where the enrollment would not be 20 percent; that the amount for that Indian child’s education is going to be drastically lower?

Mr. Brown. That distinction is currently made in the program statute.

Senator Melcher. Are you going to change it? Are you going to have the same distinction as you had last year?

Dr. Davenport. An Indian child, Senator, will be served the same in 1984 as he will be in 1983. The distinction is in how many “a’s” are in a district; that is what makes the difference we are proposing, which consistent with——

Senator Melcher. Well, in the “super a” districts, those children will get the full amount.

Mr. Brown. That is correct.

Senator Melcher. That is the way I understand your testimony.

Mr. Brown. Yes, sir.

Senator Melcher. And in the non-“super a” districts, those Indian children will perhaps get 50 percent, if I understand your testimony correctly.

Dr. Davenport. Again, you are saying the Indian child, but the district will receive funds based on the number and a certain proportion of children as they did under impact aid this year.

Senator Melcher. Pardon me?

Dr. Davenport. You are tracing it to the child, and I think you should trace it to the district. The district has a student population that determines whether the district is a “super a” or a regular “a” district.

Senator Melcher. Well, it may make some difference to the Indian child whether that child is allowed to enroll in school or not, based on who is going to pay the bill.

Now, all I am asking you is, are you changing it from last year?

Mr. Brown. No.

Senator Melcher. If last year the school district got a proportionate amount per child that was proportionate to——

Mr. Brown. Its 1981 payment, sir.

Senator Melcher. But, will they get the same this year?

Mr. Brown. They will get more this year.

Senator Melcher. On the “a” districts, not the “super a”?

Mr. Brown. The non-“super a’s”?

Senator Melcher. Yes; the non-“super a’s.”

Mr. Brown. Some will get more, an some will get a little less.

Senator Melcher. Why?

Mr. Brown. Now, there are not many “super a’ districts. About 75 percent of the “super a” districts have a sizable proportion of Indian students in them. I think it is safe to say that, under our proposal this year, by and large, most Indian school districts are going to be receiving more funds. I could give you some figures, at least some estimates.

Senator MELCHER. If they are going to do a lot better, then it appears to me that in those school districts where the Indian enrollment may be less than 20 percent, they are going to do a lot worse, because you are talking about the same amount of money, as far as I can tell.

Mr. BROWN. You are also talking about a lower amount of burden, too.

Senator MELCHER. Pardon me?

Mr. BROWN. I said, you are also talking about less burden. After all, we had to prioritize on some basis.

Senator MELCHER. What do you mean, less burden?

Mr. BAUER. In a school district with fewer Indian children, there is presumably less of a financial burden on the school district than one in which over 20 percent of the attendance can be accounted for by Indian children.

Senator MELCHER. Is that what you are trying to tell me?

Mr. BROWN. Yes. You would not want us to give the same priority, I would not imagine, to——

Senator MELCHER. How do you think this money is divided up? It is divided up by number of students. It is the simplest entitlement program in the educational field. There are so many students and they get so much money.

Mr. BROWN. No, sir.

Senator MELCHER. It is based on the student.

Mr. BROWN. No, sir, that is not true. In fact, Indian students get greater weight in the payment calculations than other students. It is not that simple.

Senator MELCHER. I am talking about Indian students.

Dr. DAVENPORT. Senator, I think the——

Senator MELCHER. You are saying that the school districts that are classified "super a" are going to get more money than they got last year.

Mr. BROWN. Yes; I am.

Senator MELCHER. Then you are saying those that are not "super a," dividing up about the same amount of dollars, are naturally going to get a lot less.

Mr. BROWN. No, sir, what I said was that we would pay 50 percent of entitlement this year. Last year we paid a proportion of the second preceding year's payment received by the district. That works out to a lot more. Fifty percent of entitlement in 1984 comes to somewhere around 65 to 70 percent of the second preceding years entitlement.

Senator MELCHER. The appropriation, I am informed, for this current fiscal year is $445 million for all impact aid.

Mr. BROWN. It is $435 million for section 3, and it is $480 million overall.

Senator MELCHER. For this year?

Mr. BROWN. Yes.

Senator MELCHER. If I understand your testiomony correctly, $455 million is what you are requesting for fiscal year 1984.

Mr. BAUER. But all of that, Senator, would be for section 3(a) children. There would be no 3(b) children served under the proposal, so it represents an increase of $58 million from 1983 to 1984 on money available for 3(a) children.

Senator **Andrews**. Would the Senator yield for a moment?

Senator **Melcher**. Yes; I would be delighted to yield.

Senator **Andrews**. Let me point out something. The 1983 estimate was $435 million. The 1984 estimate is $455 million. Under the proposal to treat "super a" the way they are treating it, might I share with the Senator from Montana, since there are not too many other Senators in the room, that the funding for the State of Montana, in which I know he holds a deep and abiding interest, will go from $11,144,000 in 1983 to $15,527,000 in 1984.

Might I also, because there is one other Senator in the room, point out that the funding for North Dakota will go from $6,524,000 to $9,383,000, which is not bad. This is because we have a high Indian population and we have unique airbases and a bunch of things.

Senator **Melcher**. I assume you are speaking about all of the impact aid.

Senator **Andrews**. I am talking about the total impact aid.

Senator **Melcher**. And it is going to be prorated, so much per student, based on the category in which they happen to fall. That is not going to change. What I am trying to ascertain is whether or not those Indian children in a school district will less than 20 percent of the enrollment being Indian are going to find a substantial fallout in what is available per student. That is what I am trying to find out.

Dr. **Davenport**. That is where we get into a definition problem, Senator, because these funds go into the general purpose fund of the school district. Then the local school board, working with its superintendent, decides how they are going to spend it.

When you asked if it is going to mean a fallout for a local student, it was impossible for us to tell you that before and it is impossible for us to tell you in the future.

Senator **Melcher**. There are really a lot of people you have in that Department that can tell you, almost down to within $5. Now, how are you going to answer this?

Mr. **Brown**. The answer is no; per student, that is not the case. That is, per Indian student, the entitlement will be the same.

Senator **Melcher**. The entitlement will be the same?

Mr. **Brown**. The entitlement per category will be the same. We are going to have to prorate the total amount for the district. In that sense, yes, when you divide the number of kids into the total number of dollars, there will be fewer dollars per child, for Indians and non-Indians.

Senator **Melcher**. I think I am beginning to understand that what you are saying is, because they are class "a" students, individually, as much will be credited to that school district per student as is they were in the "super a." Is that what you are telling me?

Mr. **Brown**. Yes, we will calculate 100 percent of entitlement but then we will have to prorate back to whatever proportion of entitlement we have enough money for out of this budget.

Senator **Melcher**. I am not so sure of that at all. Let me come at it from the other direction. Are you telling me that other students that have had an entitlement under impact aid that are non-Indians are going to suffer a great deal, but the Indians are going to be left alone?

Mr. **Brown**. No, Senator, I am not telling you that. I am telling you it is a fact that there will be fewer dollars available because of the high priority we would place on the "super a" districts, the districts with 20 percent or more "a" children. There will be a lesser amount of money overall for all students, all "a" students, in districts where there are fewer than that number.

Senator **Melcher**. Let us get at it this way. What was the amount for "a" students last year?

Mr. **Brown**. For 1982?

Senator **Melcher**. No, use this year, fiscal year 1983. Those are the amounts appropriated last year, right?

Mr. **Brown**. For 1983, it is $377 million.

Senator **Melcher**. Total?

Mr. **Brown**. Oh, you want to know per student?

Senator **Melcher**. Yes.

Mr. **Brown**. That is a bit difficult to answer because it——

Senator **Melcher**. Let me ask this for the record, then.

Mr. **Brown**. Yes; I would like to answer it for the record.

Senator **Melcher**. Sir, you have all those figures in that Department. We have always been able to get them if we wanted to be persistent. I want to be persistent today just by lodging this question and then looking for you to develop the answer.

Mr. **Brown**. Let me explain to you why the answer you may get may not satisfy you. The moneys that are distributed to districts for impact aid are spread among all children in the district. So I don't know what number you want. Do you want an average? Do you want me to divide the number of children into the number of dollars? Should I divide for you the number of impact aid children into the number of dollars?

Senator **Melcher**. Yes.

Mr. **Brown**. You want that?

Senator **Melcher**. Yes, absolutely, because that is the way you award the money. You count how many students there are that are counted in the impact aid, and, of course, they are mixed in with other students. There is hardly any of this that goes directly to a school district where every child warrants or is eligible for impact aid.

You may have some military bases somewhere where every student is a child from a military family.

Mr. **Brown**. The point I am trying to make is that the dollars will be diluted—I mean, the per-pupil amount, if I do it for all children, will be diluted, be lower and in fact more realistic——

Senator **Melcher**. You have your "a" and "b" students. I do not care. You have your "a" and "b" students and your "b-3's," and you know how much money is awarded there. That is the way it flows out.

Mr. **Bauer**. We will provide you with the numbers you are asking for, Senator.

[Subsequent to the hearing the following information was received for the record:]

IMPACT AID PAYMENTS FOR INDIAN CHILDREN

Our current estimates for average payments for Indian children in "Super a" districts under Section 3 of the Impact Aid program in 1983 and 1984 are $1,507 and $2,209, respectively, an increase of over 46 percent from 1983 to 1984. For non-"Super a" districts these payments are estimated at $1,169 in 1983 and $939 in 1984, a decrease of 19.7 percent from 1983 to 1984. Differences in payments between years must be considered on a district-by-district basis because a district's payment for one category of child may increase while that for a child in another category may decrease, but there may be little or no change in the total payment to the district. Since Impact Aid funds are added to the budget of the school district to serve all children, it is the total amount of the payment that is significant.

Senator **MELCHER**. There has been some talk here about not being on or near a reservation. By the way, I want a clear understanding, by school districts, in Montana, which are going to be eligible under any change you might have made. You have inferred there will be no change, and that is fine with me, then. We have where we were last year and the year before, which school districts were eligible and which classes of students were eligible if they were in the school districts.

Now, there has been some inference here that if they are not on or near a reservation, there are other Federal programs that would pick up some of the cost. All of those Federal programs are so limited that they do not pick up any of the general costs of education at all. They have not been changed, as far as I know. They do not dole out the money directly to the school district and say, Well, we have a little bonus here for you.

It is the same as it was before: If you are eligible for any title 1—or now we call it Chapter 1, I guess—funds, it is on the basis of a category, and that is it. Those are for remedial reading, for speech therapy, for handicapped. I guess that is not under title 1, but it is for the educationally disadvantaged child, and they do not provide any of the nuts and bolts to pay the school district's costs, to pay all those bills the school board has to approve, to pay the teachers' salaries, unless there is a special category for remedial reading or something like that.

So there is absolutely no basis for your testimony, Mr. Bauer, that somehow, if Indian children are not taken care of under this system, whatever changes you are making—I don't want to be too critical because I am not too sure what your changes are. Maybe there are not significant changes. There is certainly no additional money available for these children if somehow they are not taken care of under impact aid. They cannot pick that up under chapter 1. That does not go for the same purpose at all.

Impact aid is to pay the nuts and bolts of the cost of the school, of the operation of that school, paying the heat bills, the light bills, buying the desks if they have to, making repairs, and paying the teachers. That is what impact aid does.

Chapter 1 simply does not pay those same bills at all. If there are going to be Indian children who are going to end up with not having the same amount of money last year available for them as Indian children, we need to know it. I think your testimony and your response to my and Senator Andrews' questions is that there is not going to be any less money per Indian child. But, your testimony is confusing because it would indicate that when you go from "super a" down to what you call "a" school districts, there is going to be less money available because more of it was used for "super a." I guess that is not the case, is that right?

The same amount of money per child will be available to the school district, is that right?

Mr. BAUER. Well, Senator, again, if we are talking about "super a" districts, we are providing additional funds.

Senator MELCHER. More. All right.

Mr. BAUER. $50 million more.

Senator MELCHER. But the same minimum amount will be available for the children in the non "super a" school districts as there was last year?

Senator BAUER. As I indicated to the specific question you posed a few moments ago, we will go back to the Department and provide the figures to you to help clarify the situation.

[Subsequent to the hearing the following information was received for the record:]

1983 AND 1984 AVERAGE IMPACT AID PAYMENTS

Average payments per child for all "a" children in non-"Super a" districts are estimated at $872 in 1983 and $767 in 1984, a 12 percent decrease. For all "a" children in "Super a" districts, average payments are estimated at $1,286 in 1983 and $1,900 in 1984, a 47.7 percent increase.

Senator MELCHER. The answer that I have been getting, and that Senator Andrews has been getting, is that the answer to that is, yes.

Mr. BAUER. Well, the overall statement we have made, and that we stick by, is that we believe there are numerous other programs in the Department that will meet the needs of Indian students, to the extent that they have educational needs. We can do that without the funding in the Indian education program.

Senator MELCHER. Was the answer yes or no?

Mr. BAUER. I believe I answered it as clearly as I can. Yes, we believe that we can provide any aid that an Indian student needs. If he is educationally disadvantaged, if he has a financial problem——

Senator MELCHER. No, I do not want that term. I am asking the question, in the non "super a" school districts, will the allotment per Indian child be as great as it was during this current fiscal year?

Mr. BROWN. Senator, I cannot give it to you for Indians separated out by degree of impact of a district. I can tell you this, that the answer to your question, in terms of districts who are not "super a" districts, whether or not they get more or less than they got last year varies depending upon their percentage of Federal children.

For example, we are currently estimating that in 1984 we will distribute about $15 million to districts with between 15 and 19.9 percent federally connected "a" students. In 1983, that number was about $12.8 million.

When you get down lower in terms of the percentage of students—and I doubt very much whether you are going to get into very many Indian districts as you get down the degree of impact list—you do have losses.

Senator MELCHER. Do not treat this as something off the wall, because the school district in Great Falls is educating a great deal larger number of Indian children than is a smaller school district, say, in Box Elder. But the percentage of the Indian children in Great Falls, Mont., in that school district, is going to be far less than 20 percent, actually, of the entire enrollment.

So the question for the school district is, after all, everybody, his State, my State, and I think almost every State, looks at the cost of educating children in elementary and secondary schools on how much it costs per student. And impact aid has always been that way. It is awarded.

Mr. BROWN. A large city, or essentially a metropolitan area, which Great Falls represents in this instance, relative to other areas in the State, is, as you said, likely to have a large absolute number of students who are Indian, but in terms of its relative proportion to the total population, it is likely to be quite small.

I understand their problem. But the problem exists in Chicago, and the problem probably exists in New York as well. We tried to make some cuts and specify some priorities here, and do the best we could for this population, for the most heavily impacted school districts.

Senator MELCHER. I do not think it is the same at all, because I do not think school districts in Chicago are treated as on or near an Indian reservation, and I doubt whether New York is——

Mr. BROWN. I do not know what the Indian population——

Senator MELCHER [continuing]. If you mean New York City. So I think we are only talking about those school districts which have significant numbers of Indian children and have had impact aid money and need impact aid money to continue that education for those children.

Mr. BAUER. Senator, I just would like to reiterate something that your colleague has already mentioned: That Montana will receive, in 1984, over $15 million in section 3 impact aid, and that compares with a figure of $11.1 million in 1983 and a figure in 1982 of $10.1 million.

Senator MELCHER. Mr. Secretary, I assume the answer is that these school districts with less than 20 percent are going to get the same amount, then, if we are just talking about Indian children. The same amount. That is all I am asking you, and I guess the answer is yes, but I will look to your figures to try to verify that.

Senator ANDREWS. I would hope, Mr. Secretary, you would provide further detail for Senator Melcher for the record.

Mr. BAUER. Certainly.

Senator ANDREWS. We appreciate your coming up here.

Mr. BAUER. It was our pleasure.

Senator ANDREWS. We will look forward to your answers. There may be other members of the committee who might also have questions to submit for the record.

Mr. BAUER. Senator, I would like to reiterate that we had some tough decisions to make in the budget. I know we cannot satisfy everyone, but we are looking forward to working with you and your colleagues on this committee on these programs and on some very difficult choices that we have had to make.

Senator ANDREWS. Let me assure you, Mr. Secretary, that in my other life in the Senate I am a member of the Budget Committee as well as a member of the Appropriations Committee, and I have those same nightmares.

Mr. BAUER. Thank you.

Senator ANDREWS. There is no easy way. The trouble is, some of these programs are investments in the future of this country, and that is why we do not want to shortchange them. When you are talking about investments in the education of Indian children, you are talking about ways of avoiding down-line costs that could be 10 to 15 to 20 times as much as spending the money up front. That is why we want to make sure that we know where we are, and I would hope that you will provide the answers to the further questions for the record so we will know how to advise our colleagues on the other committees.

Thank you very much.

Mr. BAUER. Thanks again for the opportunity, sir.

[The prepared statement follows:]

PREPARED STATEMENT OF GARY BAUER, DEPUTY UNDER SECRETARY FOR PLANNING, BUDGET, AND EVALUATION, DEPARTMENT OF EDUCATION

Mr. Chairman and Members of the Committee: We appear before your Committee to discuss the budget proposals for the Indian Education Act and Impact Aid programs for fiscal year 1984. In concert with the Administration's overall policy regarding separate funding for Indians not on reservations, we are proposing to terminate assistance under the Indian Education Act in fical year 1984. These programs will be phased down through a proposed rescission in 1983 and only minimal administrative support in 1984 to allow for an orderly close-out of prior year awards. Under Section 3 of the Impact Aid program, payments to local educational agencies (LEAs) which serve children residing on Indian lands are projected to be at an all-time high of $182.8 million in 1984. In addition to these funds, our 1984 budget includes a $10 million request for funds for school construction grants to LEAs which serve children residing on Indian lands, $1.5 million more than the 1983 appropriation for this activity.

INDIAN EDUCATION

For fiscal year 1984, $1,243,000 is requested to cover administrative costs of the Indian Education Program office and to support the National Advisory Council on Indian Education. Funds will be used to focus on close-out of prior year grants and for other tasks related to conclusion of program operations. Limited administrative funding for the National Advisory Council will support the preparation of a final report and a final meeting.

The Administration's 1984 request distinguishes between support for Indians living on or near reservations and non-reservation based Indians. For a number of historical and legal reasons, Indians living on or near reservations enjoy a special relationship with the Federal Government—a relationship recently reaffirmed by the President in his January 25, 1983 statement on Indian policy. This special relationship is manifested programmatically in the eligibility of this group for a variety of special services provided by the Bureau of Indian Affairs, including a number of educational support programs that parallel those available under the Indian Education Act. Many of the BIA programs are bolstered by transfers of funds from other agencies. In education, for example, a transfer of over $18 million of Chapter 1 funds for compensatory education is anticipated in 1984. Our budget is based on the proposition that it is not necessary for similar educational activities, like the Indian Education Act programs, to be carried out by different Federal agencies.

Indians not living on or near reservations should be treated just the same as other Americans in terms of Federal program design and operation. They should be—and are—eligible for the same Federal, State, and local services provided to other citizens. Thus, any Indian student who is educationally disadvantaged is eligible for special services under education programs such as Chapter 1. In addition, Indian students, like their non-Indian peers, are eligible for services under other education programs such as Chapter 2, Vocational and Adult Education, Impact Aid, Bilingual Education, and all postsecondary student aid programs. We estimate that, at a minimum, all of these programs combined will result in about $300 million of support directly or indirectly benefiting Indian students and adults.

IMPACT AID

The 1984 budget request for Section 3 of the Impact Aid program proposes to make payments at 100 percent of entitlement to districts whose "a" children, a category which includes all Indian children, amount to at least 20 percent of their total average daily attendance. Of the approximately 330 districts in this category, about 245—nearly three-quarters—serve Indian children. Districts which do not meet this 20 percent level will receive payments prorated from full entitlement, currently estimated to be at least 50 percent of entitlement.

The 1984 Impact Aid budget also includes a request for $10 million for construction of school facilities in districts which serve children residing on Indian lands. This is the only construction activity for which funds are requested by this agency in 1984. We expect to be able to fund three projects with these funds.

We will be glad to answer any questions you may have.

Senator **Andrews**. Our next witness is Mr. Philip Abrams, the Assistant Secretary for Housing in the Department of Housing and Urban Development, Washington, D.C.

Welcome, Mr. Abrams. We have your statement. You can consider it read as though you presented it in full. We would be more than happy to have you summarize it in any way you like so we may get on with the questions and try to minimize the time impact on you and your colleague, Mr. Bollinger, who will be our next witness following your testimony.

STATEMENT OF PHILIP ABRAMS, ASSISTANT SECRETARY FOR HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Mr. **Abrams**. Thank you, Mr. Chairman.

I will summarize but read some of the more pertinent sections of the statement.

Senator **Andrews**. Great.

Mr. **Abrams**. We have tried to keep the statement brief, but there are a lot of issues that we have covered. I will try to go over them quickly, and then my colleague, Assistant Secretary Bollinger, will comment on the community development block grant aspects of the proposal.

Senator **Andrews**. Good.

Mr. **Abrams**. The administration proposal for 1984 presents two new approaches to meet HUD's obligation to provide housing on Indian reservations. The budget authority is for a total of $151 million. It is intended to fund new homes, the water and sewer for the homes, and community development activities, and assumes that the tribe would administer the program or could delegate its responsibilities to the Indian Housing Authority for the housing segment of the program.

Both approaches are departures and reflect considerably less budget authority than the current program, which involves a funding level of $62,000 in loan authority per house and $140,000 in budget authority per house.

We assume that the Housing program would be able to accommodate approximately 60 tribes and that the block grant program would accommodate 100 tribes.

In addition to that, all tribes would be able to participate in the part of the program that involves unsubsidized FHA insurance and the FHA title 1 home improvement loan program, since those programs do not involve any budget authority limitations.

In those programs, on all of the trust lands, the homeownership opportunities for middle-income Indians who do not presently have access to private financing would become possible.

In the Indian housing program proposal, there would be a combination of grants to write down the mortgage costs to a level where they are affordable by the family and to fund water and sewer facilities as well as modifications to the FHA insurance program so that it will work on trust lands, and provisions for subsidies for low-income, very low-income, Indian families.

There would be $76 million in budget authority that we estimate could provide for 1,500 homes under that program in addition to whatever homes are provided without subsidy by making FHA insurance available.

Of the $76 million, $38 million would be for housing write-down grants, and $38 million for deep subsidy in the form of certificates.

The program would bring private investment to reservations. We have done surveys and are confident that there are enough private lenders in all areas of the country interested in participating in the program so that it will work.

We have also talked, in addition to mortgage bankers, to banks throughout the Indian parts of the country that, with the implementation of our new direct endorsement procedures and acceptance of the documents that they normally use, are interested in participating in the program.

The grant funds would be used to pay for all water and sewer facilities and could write up to 70 percent of the reasonable development costs down to $15,000 per house.

The FHA mortgage insurance, which would require a statutory amendment, would provide for the use of that program on trust lands without any limitations relating to marketability of title. This assures everyone involved that in no case will the trust status of the Indian lands be jeopardized.

The tribe would have the flexibility, in running the program, of determining the ownership status of the house. Either the tribe could own the house and lease it, or the tribe and the Indian family could be comortgagors. For the families that received the deep subsidy for the certificate, then the tribe would be the owner of the home and would lease it to the assisted family.

A cornerstone of the program is flexibility. We will require the tribe to pledge income from tribal resources or current or future Federal grants in case defaults occur to make the program actuarially sound.

The proposed certificate for deep subsidy will be of 15-year duration and would be attached to the house it is assigned to, and it would support the difference between all of the housing costs and the contribution by the family, which would be 30 percent of adjusted income.

As far as the building standards, we would expect to rely on national model codes or similar codes adopted by the tribe for local use; we would allow waivers to allow for remote locations and special cultural and geographic conditions.

We are also proposing changes to the community development block grant program, which Assistant Secretary Bollinger will talk about. One of the important parts of that program is, as it is currently operated, the amount of rehabilitation that goes on.

We are impressed by the large number of substandard houses on reservations. The additional funds proposed could be used to bring these up to standard conditions. For example, there are 13,000 houses that are substandard due to a lack of complete plumbing. For a relatively small amount of money, those 13,000 units could be brought up to standard housing.

The combined production of both the housing model and the community development block grant model could provide at least 2,500 new homes, depending upon how the tribes utilize the flexibility provided. They could produce up to 4,000 safe and decent units per year depending upon local decisions.

One of the foundations in the decisions that have led to development of this new approach to providing housing was a feeling, and a substantiation in fact, that there was a misjudgment to bring the big-city type public housing model to Indian reservations and that that program was inappropriate. It brought overregulation and a great deal of red tape.

This program that is being proposed will be a replacement for the housing program as it is currently run. For the current year, we will be allocating shortly funds for 2,000 units as appropriated by Congress for this fiscal year. We have a pipeline of over 14,000 units that are under development, at various stages. We are working on that program to reduce the cost per unit. In fact, last year we were able to increase the number of units produced for the money appropriated by Congress substantially so that we could more fully meet the needs on Indian reservations.

We are making a special effort to discard unnecessary procedures and red tape, and we are providing funds in fiscal year 1983, as we did in 1982, to provide water and sewer facilities for those units that will be completed within the year.

We are working to improve the management of the 47,000 units that are already built and occupied, and we will be working to expedite the pipeline of projects so that we can bring those 14,000 units that are currently in the pipeline to construction more quickly this fiscal year and next fiscal year, so that we can produce actual housing units for families to live in from the paper figure of reservations.

That summarizes my testimony.

Senator ANDREWS. Thank you, Secretary Abrams.

The full text of your written testimony will be inserted in the record at this point.

[The prepared statement follows:]

PREPARED STATEMENT OF PHILIP ABRAMS, ASSISTANT SECRETARY FOR HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Mr. Chairman and members of the committee. It is a pleasure to appear before your committtee to discuss HUD's Indian housing proposals and current operations. During my tenure at HUD I have spent considerable time on Indian housing—to determine the best and most cost effective way to develop new homes needed in Indian areas. Our aim is to maintain the Federal commitment to produce the maximum number of new homes annually without excessive budget authority; to bring private sector involvement to the reservation; to assure this new housing produced is affordable to even the lowest income Indian family; and to provide tribes with greater flexibility to administer their housing programs without unnecessary Federal controls.

The administration's fiscal year 1984 budget submitted to Congress a few weeks ago contained two approaches proposed by HUD for delivering Indian housing. The initiative is for a total budget authority of $151 million and is intended to fund new homes, the water and sewer facilities for these homes, and community development activities. These proposed new approaches assume that the tribe would administer the program and could, if it desired, delegate its responsibilities to the Indian Housing Authority [IHA]. Both approaches are a departure from the current HUD Indian housing program which requires a substantial commitment of budget authority for 25 or 30 years. Our funding level assumes that 75 to 100 tribes could participate in each proposed program for a total of 150-200 tribes participating per year. This is about the same number of tribes participating annually in HUD's current housing and community development programs.

Let me describe some of the details of the HUD proposals which will be officially submitted to you tomorrow morning as a part of HUD's legislative package.

First, HUD is proposing the Indian housing program which would involve a combination of grants to write down mortgage costs and to fund water and sewer facilities, modified FHA mortgage insurance and for very low-income Indian families, the housing payments certificate program tied to the new units for a 15-year term. A total of $76 million in budget authority would be authority to facilitate the construction of 1,500 homes for families needing housing assistance in Indian areas ($38 million would be used for housing grants, including related infrastructure and $38 million for the certificates). The program has the following features:

Use of private investment, generally insured under FHA, for every newly constructed unit in order to leverage the use of limited Federal funds.—We have conducted an informed survey of national and regional mortgage bankers who service geographic areas in which Indian tribes are located. The mortgage bankers do a large portion of their business with FHA and VA. All mortgage banking firms contacted have expressed a positive interest in participating in this proposed Indian housing program.

Provision of Federal assistance for a "write down" of mortgage costs and infrastructure support as well as certificates to make housing affordable for low and moderate income families in Indian areas.

Adoption of the FHA and certificate programs, housing tools which were previously unavailable in Indian areas.

Let me point out some other features of this program which is discussed in our legislative proposal.

Eligible tribes would develop their own program taking into account reasonable development costs for the area as well as family income. The following limits would apply: Grant funds could be used to pay 100 percent of all water and sewer facilities costs and could write down up to 70 percent of the reasonable development costs or write-down to $15,000. The Indian tribe and family, if applicable, would have the responsibility for financing the remainder. FHA insured mortgages, family, tribal or other resources could be used.

The FHA mortgage insurance program would be amended to insure mortgages in Indian areas without regard to limitations relating to marketability of title. FHA insurance would be available for mortgages as well as construction loans. In no case will the department jeopardize the trust status of the Indian land.

The tribe would have the flexibility to determine the ownership status of the housing. The tribe could own the home and establish a lease purchase agreement with family (similar to the current mutual help program) or the tribe and Indian family could be co-mortgagors. For very low income families who also receive certificate subsidy, the tribe could own and then lease the units to the family. If a family without section 8 assistance had a drop in income, the tribe could make available certificate assistance. In this case, the family would lose its home buyer status.

A cornerstone of the program is that the tribe has the flexibility to implement the program. We will only require them to pledge income from tribal resources or Federal grants for use in case income from tribal resources or Federal grants for use in case defaults occurred. We will not consider attaching the trust funds of the Indian people or the tribe as in the case of S. 2847, the Indian Housing Act of 1982. Trust land status will never be jeopardized by this program.

The proposed certificate subsidy would be attached to the newly constructed units for a 15-year term and would support the difference between all housing costs (that is, cost of the principal and interest on the FHA insured mortgage, insurance, maintenance, and utilities and project tax if applicable) and 15 percent of the gross or 30 percent of the family's adjusted income. This family contribution standard is the same as in all low-income rental programs, including the current Indian rental program. It results in a lower and often more equitable payment than in the current HUD mutual help program where a minumum administration fee is required.

Basic health, safety, and durability standards (such as these established by national model codes or codes adopted by the tribe for local use) would apply. HUD would consider waivers, where appropriate, to respond to remote locations and special cultural and geographic conditions.

HUD is also proposing legislation to expand the community development block grant program to make new construction an eligible activity for all eligible recipients, including Indian tribes. Mr. Steve Bollinger, Assistant Secretary for Community Development, will describe this program in greater detail.

In designing these new delivery mechanisms we have maintained many of the desirable features of the current HUD programs. For instance, there is no authorization limit on the proposed Indian housing program; the Indian block grant program has a 3-year authorization and can be expected to be reauthorized as was the Indian community development program. Funds for both programs will be distributed to the Indian field offices on a needs basis and then distributed to tribes in a competitive manner as is currently done in HUD's housing and community development programs. The proposed Indian housing program would use occupancy policies now in effect for Indian and other assisted housing rental programs. For the block grant program the tribe would have the flexibility to determine if and how a family contribution request was established. Both programs would be administered through our six Indian field offices. They will continue to provide technical assistance in implementing these new initiatives.

While the Department is proposing to terminate funding for new housing under the current Indian housing program after fiscal year 1983. We are not abandoning our commitment to allocate the 2,000 units appropriated in fiscal year 1983 by Congress, nor are we abondoning our commitment to complete units in the pipeline. As of October 1, 1982, there were over 14,000 units under development. We have asked our Indian field offices to work with housing authority and tribal leaders to initiate savings so that funds saved can be used for needed units. In fiscal year 1982 additional units were available as a result of such initiatives and we expect even greater results in fiscal year 1983.

Also, HUD is setting aside fiscal year 1983 funds for water and sewer facilities construction to assure no HUD units are completed without the necessary infrastructure.

Finally, we will continue to work in improving the management of the approximately 47,000 HUD assisted Indian housing units. Last year we funded a private firm to provide intensive technical assistance to the Crow Indian Housing Authority. We expect this model to be a prototype for improving housing operations in other tribal settings.

The Department is committed to Indian housing and will work with congressional committees and tribal leaders to improve our delivery systems. As a follow-up, at the request of tribal leaders, we will hold a working session as soon as possible to solicit Indian input into HUD's housing activities including our fiscal year 1984 proposals. Secretary Pierce, Mr. Bollinger and I will personally attend this session to hear Indian recommendations.

This concludes my prepared testimony. I'd be happy to answer any questions you may have.

Senator ANDREWS. Our next witness today is Stephen Bollinger, Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development.

Secretary Bollinger, if you would like to summarize your statement, let me assure you first that every word of it will be in the record as if you uttered every word. We will have questions for both you and Secretary Abrams at the conclusion of your testimony.

STATEMENT OF STEPHEN J. BOLLINGER, ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Mr. BOLLINGER. Thank you, Senator Andrews.

I will spare you and myself, Senator, the pleasure of hearing me read my prepared text.

Senator ANDREWS. It is beautiful. We spent all evening reading it and reviewing it.

Mr. BOLLINGER. I appreciate that.

Let me just be brief and try to point out a couple of things, Mr. Chairman, that I do think are important. First is the fact that within the Secretary's discretionary fund, the Department has had a history, since 1978, of dealing with the Indian tribes separately on a competitive basis. In the course of the last couple of years, we have tried to implement some steps to try to simplify the process and to eliminate some of the administrative burden that the tribes had encountered in trying to compete for the approximately, in 1983, $31 million that we have in that particular program.

At the same time, we have been given—using 1982 as an example year, as I pointed out in the testimony—an opportunity to look at approximately 302 applications, of which 112 were funded. We have gained a lot of experience in seeing how the tribes are actually utilizing those block grant funds.

So, as I pointed out in the testimony, history shows us that approximately 30 percent, which is consistent with 1982 and previous years, is used for housing rehabilitation.

In addition to trying to increase the capacity of the tribes to compete for these funds, we have done a great deal of work and in fact have started in the last year and a half to put money aside under the Secretary's discretionary fund for technical assistance to increase tribal capacity for other areas of eligible block grant use, such as economic development.

We have had, in the past year and a half, a contract with the National Urban Indian Council. We currently have in our pipeline an extension of that contract. We have worked, in our urban development action grant program, to increase the capacity of the tribes to compete successfully and in fact, in the last couple of years, we have had two successful UDAG's awarded to tribes, one in Arizona and one in Mississippi.

We continue to work with organizations like the Great Lakes Intertribal Council for training tribes in economic development areas and implementing economic development projects.

We have, in our legislation, recommended that, as we have in our entire block grant program, housing new construction be an eligible activity under the block grant program. For tribes and for cities in general, in sorting out their community development, we see that the exclusion of new construction might be in contradiction to the fact that they need that kind of flexibility to implement a development strategy that they might have.

Oftentimes, within cities and certainly within tribes, it is not economically practical to undertake rehabilitation activities, or it is not addressing what the needs are—new construction. We feel that adding to the amount that we have previously provided under the Secretary's discretionary fund, a total of $44 million, to raise that figure to a level of $75 million, we will be able to provide to the tribes the opportunity to work in tandem with the program that Mr. Abrams has described and to sort out their options much more intelligently.

We think it represents an opportunity for the tribes to make intelligent decisions as to where the best use of those funds might be. Certainly all the historic uses of the block grant program would still remain in effect as eligible activities, but this would add one additional source of financing for any new construction needs that they might have.

I am aware of a couple of concerns that tribes have. Some of the legislation is proposing 5-year appropriations. Our particular program, the block grant program, as you well know, comes up for reauthorization this year. The history of our program is for a 3-year authorization and not 5 years, and that is the only reason why it is put in for 3 years.

The specific earmarking of funds is also something that we think addresses another of the concerns of tribes because, historically, the amount of funds for tribes under the Secretary's discretionary fund has sort of evolved after conferences with staff on the Hill, negotiations within the Department, whatever the vehicle has been historically.

It is rather difficult for me to explain why, in 1983, you have within the Secretary's discretionary fund $31 million for Indian tribes as opposed to maybe $32 million. History has dictated a certain funding level, and I think that the tribes, justifiably, may have a concern—and I think we are addressing it in our legislation—of actually putting it in as a line item to separate it out ot any negotiation that might take place within the Secretary's discretionary fund, competing against items such as technical assistance or other eligibel activities under the Secretary's discretionary fund.

Let me just stop there, Senator, and allow you to ask questions.

Senator **Andrews**. Thank you, Mr. Secretary. The full text of your written testimony will be included in the record at this point.

[The prepared statement follows:]

Prepared Statement of Stephen J. Bollinger, Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FOR INDIAN TRIBES AND ALASKAN NATIVE VILLAGES

The 1977 amendments to the Housing and Community Development Act of 1974 transferred the funding of Indian tribes and Alaskan Native Villages from section 106, where they competed with small cities, to section 107, the Secretary's discretionary fund. This shift was made in order to have a program which was more responsive to the needs and circumstances of Indians. As one of four programs, in the Secretary's fund, the Indian Community Development Block Grant program has the same eligible activities as the rest of the block grant program and the same objective:

"To assist in the development of viable communities, by providing decent housing, a suitable living environment, and by expanding economic opportunities, principally for persons of low- and moderate-income."

In 1981, a field reorganization took place to improve both housing and community development program delivery to Indian tribes. Six HUD field offices now have the responsibility for managing HUD's Indian programs. These offices are located in Chicago, Oklahoma City, Denver, San Francisco, Seattle, and Anchorage.

The Indian community development block grant program is competitive. Within each field office, applications are considered only if the applicants have met certain thresholds such as adequate previous performance and administrative capacity. If thresholds are met, projects are rated on the basis of need, benefit and impact, and selected for funding if they rank highly when compared to other such projects.

In fiscal year 1983 several changes were made to improve the program and the project selection process.

First, the two-step preapplication/full application requirement was reduced to one application. The information requested in this application is only what is required to make threshold and rating determinations.

Secondly, the threshold requirements were revised to clearly relate projects proposed to tribal needs to insure appropriateness, and to clearly define tribal capacity to undertake the project, including prior performance.

Thirdly, the rating criteria used to determine which projects will be funded have been simplified to four essential factors: (1) Relative need of applicant; (2) project benefit to low- and moderate-income persons; (3) project impact on need expressed; and (4) quality of project proposal.

In fiscal year 1982, 302 of the eligible tribes submitted preapplications for funding. Only 112 could be funded with the $30.0 million available. The average grant size funded for all types of activities was $235,754. Housing rehabilitation projects continue to receive most of the funds: 30 percent. A close second and third in funding are infrastructure improvements (this is, water and sewer) and community facilities receiving 26 percent and 24 percent, respectively. Economic development projects received 17 percent of the funds.

Tribal needs continue to be spread across the full range of community development concerns with housing a primary concern. However, Indian tribes have been expressing increased interest in economic development activities in recent years. Two tribes, Yavapai-Prescott Tribe of Arizona and Mississippi Band of Choctaw Indians, have recently been awarded urban development action grants, the first ever awarded to Indian tribes. Technical assistance funding has been provided to the Great Lakes Intertribal Council, Inc., for training tribes in developing and implementing economic development projects. The intent of this project is to develop a national model for economic development training that can be used to provide technical assistance to tribes across the country. Economic development is an important factor in building tribal self-sufficiency, and in the future will reduce tribal dependence on outside resources.

HUD is proposing legislation to expand the community development block grant program by making new construction an eligible activity for all eligible recipients, including Indian tribes. For some tribes, new construction may be more cost effective than rehabilitation in responding to tribal housing needs. This proposal would permit tribes to tailor the subsidy to each project, thereby, avoiding rigid program models and unwarranted Federal intervention. Tribes that choose to use their block grant funds for new construction would no longer have to meet cumbersome administrative requirements in order to comply with the restrictions on new construction which exist under the current law. Under the revised program, we are proposing $75 million a year for three years, from fiscal year 1984 through fiscal year 1986, for Indian tribes. This represents a $44 million increase over fiscal year 1983 funding. For Indian tribes, this will represent a second mode for obtaining new housing assistance since new housing initiatives are also being proposed for HUD's Office of Housing which will be described by Assistant Secretary Abrams.

The Indian community development block grant funds will continue to be awarded as they have in the past. Tribes will have the option of electing to undertake new housing and to establish policies for carrying out such housing programs. Given these new initiatives, tribes will now have a full range of options for dealing with their housing and community development concerns.

This concludes my prepared testimony. I would be happy to answer any questions you may have.

Senator ANDREWS. If a proposed program relies on grants plus a rental subsidy, how is it going to be less costly to the Government?

Mr. ABRAMS. Under the current program, it costs approximately $62,000 per house to build. That is all Federal money that involves $140,000 worth of budget authority which accrues interest over the average 28 years that the mortgage is paid off.

Under the proposed program, by using the vehicle of FHA insurance, you bring private capital to invest on the reservation. Using the FHA insurance, you would supplement the Federal funds with private funds to pick up some of the slack and a great deal of the capital investment in the housing.

Senator ANDREWS. Between fiscal years 1981 and 1983, Congress appropriated a total of 7,560 units. How many of these units has HUD committed of these allocations?

Mr. ABRAMS. HUD has committed all of the units appropriated except for the 2,000 this year, which should go out within the next several weeks.

Senator ANDREWS. So all 7,560 units have been committed.

Now, what provisions have you made for water and sewer construction for these units?

Mr. ABRAMS. At the end of last year, because the issue was not resolved, Secretary Pierce took the initiative to provide funds out of moneys already appropriated. We signed a memorandum of agreement with the Indian Health Service and have been providing funds to amend the contracts that were already made on the housing projects to provide funds so that, either through the Indian Health Service or directly through the Indian Housing Authority, sewer and water could be provided to all the units that were completed last year. We are doing the same thing again this year, providing funds for sewer and water.

Senator ANDREWS. In other words, you are not going to have any units completed that lack water and sanitation hookups?

Mr. ABRAMS. I am told that there is one project where we had a snafu in Alaska, but other than that, we have provided sewer and water funds for every project that was completed last year and that will be completed this year.

Senator ANDREWS. In the budget document, HUD infers that this proposal eliminates the need for coordination between the agencies. Can you explain this? How is HUD, for example, going to negotiate land leases on an Indian reservation without coordinating with BIA?

Mr. ABRAMS. We still fully intend to negotiate those with BIA and for BIA to be involved with the land leases on the reservations.

Senator ANDREWS. How many FHA-insured mortgages have been made successfully on Indian reservations?

Mr. ABRAMS. We have done some FHA-insured mortgages to date on Navajo lands and in Oklahoma.

Mr. ABRAMS. Can you say how many?

Mr. ABRAMS. No, I do not know exactly how many.

Senator ANDREWS. Could you state that for the record?

Mr. ABRAMS. I will investigate that and get it for the record.

Senator ANDREWS. Fine.

[Subsequent to the hearing the following information was received for the record:]

The Department has done seven FHA-insured mortgages on Indian lands in Oklahoma (Creek, Cherokee, and Choctaw): three section 236's; two section 202's; [1] one section 221(d)(3); one section 8 (FmHA).

Senator ANDREWS. If your proposed FHA insurance program is amended to include mortgages on Indian reservations, what would happen in the case of a default on an FHA-insured mortgage?

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[1] The land has remained in trust status on these mortgages only. The Department has done approximately 142 FHA-insured mortgages on Navajo lands. According to the information that could be obtained by the HUD field office, all Navajo lands in this area that were FHA insured were leased; the land remained in trust status.

Mr. **Abrams**. In the case of a default, then either the income from tribal assets or future Federal grants would be used to reimburse the FHA insurance fund for any losses caused by a default.

Senator **Andrews**. When you use the tribe in that way, as a mortgagor or comortgagor; when FHA is guaranteeing the mortgage, how are the tribes going to do this? What funds are they going to use?

Mr. **Abrams**. The tribe, as the owner or the coowner of the property, does not have to put up any funds unless there is a default, unless the default leads to a foreclosure. If the family stops making payments, then the tribe has the option of bringing a new family into that house. If the family loses income and cannot afford to make the payments that were originally projected for it, the tribe has the option of giving them the certificate so that they could go into the status of being assisted. In addition there is the option of a block grant writedown of the capital cost of the house.

Senator **Andrews**. But you have the family involved. They are making the monthly payments on the house. They are eventually going to own the house, as I understand it.

Mr. **Abrams**. At the discretion of the tribe. The tribe can make whatever arrangement they want. They can either go to an ownership for the family basis, or the tribe can elect to continue to own the house.

Senator **Andrews**. Well, with the tribe as a comortgagor, are you going to accept the tribe just by having them sign in against future payments they may get for some program in the neighborhood of housing in the future, or are you going to insist that the tribe commit certain trust funds, or are you going to insist that the family, an individual family, will have to relinquish its trust funds to the tribe for the privilege of living in this house? How are you going to do this?

Mr. **Abrams**. Well, we are going to look at the income from either tribal assets or future Federal grants such as community development block grants to reimburse the FHA fund for any losses.

Senator **Andrews**. But you have not been trying to nail down third and fourth and fifth assets.

Mr. **Abrams**. No.

Senator **Andrews**. There are indications that HUD and OMB are proposing to eliminate Oklahoma and Alaska as areas eligible for Indian housing. Have you heard about these proposals?

Mr. **Abrams**. Yes, we are aware of the proposals. The proposals are to limit those tribes who are eligible to those where there is a government-to-government relationship, as in the case of trust lands, and to counteract the unique problems that develop because of the status of trust lands.

In those Alaskan villages—and there are other places in the lower 48—where the Indian communities do not live on trust lands, then they have available traditional FHA insurance programs and community development block grant funds under the small cities program. In those situations the tribes currently administer the certificate program to assist low-income families as the situation exists today.

We have had very little participation from that type of community off the trust lands. I do not believe we had any projects funded last year.

Senator **Andrews**. Can you provide this committee with information that will lead to assuring us that Indians and Alaska natives that are in need of housing in these States will be adequately served as you back away?

Mr. **Abrams**. We will be glad to provide you with the resources available to them.

Senator **Andrews**. I am not asking about the resources available. In many cases, that is zilch. What I am asking for is the assurance that Indians and Alaskan natives in these two States are going to have the ability to gain adequate housing if you abandon that area.

Mr. **Abrams**. Well, there is no way that we can make that assurance, any more than we can for the general population in the country.

Senator **Andrews**. No, but the point is, you are backing away from thar area, so you must understand or feel that is OK.

Mr. **Abrams**. Well, from the housing side, we have funded only one project—I think it was in 1981—that fits into that category of being built off the trust lands.

We have a total of nine housing authorities in that category that have received units, but I do not believe there were any funded in either 1980 or 1982, and there was one funded in 1981.

Senator **Andrews**. Provide whatever justification you might have for the record, so that our record will be a little bit more complete, about the unique situation that you are throwing these two States into and why and what recourse the Indians in those States and Alaska natives will have.

[Subsequent to the hearing the following information was received for the record:]

All tribes in Oklahoma would be eligible to participate in the proposed HUD Indian housing program. The only tribe in Oklahoma which did not have tribal trust land, the Kaw Tribe has recently purchased land which the Bureau of Indian Affairs is placing in tribal trust status.

In Alaska, several entities having tribal or village trust land would be eligible to participate in the proposed HUD Indian housing program. These entities are the Metlakatla Indian community and the native villages of Kake, Angoon, Klawock and Hydaburg. All other Alaska Native villages would have recourse to HUD block grants for small cities. Individual Alaska Natives in Villages not eligible for the proposed HUD Indian housing program will have recourse to HUD's FHA and section 8 existing programs.

Senator **Andrews**. At present, new construction under a community development block grant is not an eligible activity. Under your proposed program, legislation would be required to change the block grant law to include new construction as an eligible activity for everyone, not just Indians. Most major interest groups, including the League of Cities and the National Governors Association, oppose this legislation.

What do you propose for the Indian housing program if this legislation is not authorized?

Mr. **Bollinger**. Mr. Chairman, if in fact that came about, then we would pursue continuing the eligibility of new construction, at least for the Indian program, under the Secretary's discretionary fund. We would advocate strongly that ability, at a minimum, for the Indian program.

Senator **Andrews**. Senator Melcher?

Senator **Melcher**. Mr. Abrams, the thought of having the housing program in HUD for Indians was to take care of some needs that were not met generally, because there are needs of financial distress, even in the question of whether or not a $42,000 home is much of a home. Your proposal indicates that this is a program that is due to the fact that the Indians do not have very much money and they need some help.

Now, what you are proposing here in this proposal, if it were adopted, would be pledging assets in order to give some basis for FHA or VA to enter in to provide the money for the housing. Really, it is a question of whethr or not there are some tribal assets.

Mr. **Abrams**. May I answer that part of the question, sir?

Senator **Melcher**. Surely.

Mr. **Abrams**. We recognize the fact that there are tribes that do not have assets with an income stream from them, but all of those tribes are eligible for community development block grant funds.

Senator **Melcher**. That $31 million?

Mr. **Abrams**. Well, it is now $76 million.

Mr. **Bollinger**. $75 million.

Mr. **Abrams**. $75 million. I gave them an extra million.

Senator **Melcher**. Well, you have a lot of pent-up demand for housing, need for housing—I guess we should describe it more as a need than a demand—demand indicates willingness to buy and having the money to buy. In this case, the need is there, but generally the money is not there. So the Indian housing program has been devised to assist people without much of an income to get a house because they need it very badly.

I assume that it varies greatly per tribe. There has not been any Indian housing for the Marengo or the Aquacalente at all, has there?

Mr. **Abrams**. I am sorry, sir. I did not understand the queston.

Senator **Melcher**. Has there been any Indian housing for the Marengo tribe or the Aquacalente tribe?

Mr. **Abrams**. I am advised by my staff that they do not have an Indian housing authority, so they cannot participate in the current program.

Senator **Melcher**. No, they would not have an Indian housing authority. They do not need an Indian housing authority. But they have a lot of assets, so they could fit into a new program very easily.

Mr. **Abrams**. But there is no requirement that the tribe have assets in order to participate in the program.

Senator **Melcher**. Yes, but they are the ones who would really fit into this program because their assets would work. They could pledge their assets, their income.

Mr. **Abrams**. I understand, but the program is not set up to discriminate between those who have assets and those who do not have assets. It is set up to distribute the money on the basis of the greatest need, and if the tribe does not have any assets, then we would look to future community development block grants or other Federal grant money to pay any defaults.

Senator **Melcher**. Well, here we have a basic Indian housing program, and we are going to substitute a basic Indian housing program with community block grants, which are $75 million, which are going to be split up among urban development block grants, tribal block grants, all sorts of blck grants, all over the country.

We are getting away from housing, where the real need is. I used the two tribes, which own Palm Springs and some surrounding real estate which is tremendously valuable, and, of course, their income is great.

To contrast that, the Rocky Boy tribe in Montana, which has a very difficult time keeping up with their payments for the Indian housing they got years ago, still are in need of Indian housing, but they do not have any assets.

Mr. **Abrams**. But that is what is attractive about this program. In the case of the tribe that does have high income but cannot build housing on the trust lands because they cannot get a mortgage to build a house like most Americans can, they are in a position to now get an FHA-insured mortgage which does not require any budget authority or any subsidy from the Federal Government, but simply allows middle-income Indians to participate in home ownership like all other Americans do.

The $78 million worth of budgt authority would be targeted towards exactly those tribes that do not have assets and that do not have middle-income families that can afford housing.

Senator **Melcher**. You have two points there. The first one is to get around this legal barrier of being able to sell these mortgages—well, FHA and VA and other people being able to, first of all, write the mortgage, and somebody to able to, first of all, write the mortgage, and somebody to pick up the paper, thinking it is good enough to pick it up. Now, that can be done with or without a new program.

Mr. **Abrams**. That is correct, and we proposed that last year and are reproposing it this year.

Senator **Melcher**. You state in your testimony you conducted an informed survey?

Mr. **Abrams**. Informal. We have a revised statement.

Senator **Melcher**. All right, an informal survey of national and regional mortgage bankers. If you can answer me now, fine. But did you survey anthing in Montana, anybody that might be willing to deal on some of these mortgages in Montana?

Mr. **Abrams**. We did survey in region 8. The consensus of those we surveyed was favorable. They thought we needed access to secondary markets, which we have. We will have Ginnie Mae pools for these mortgages. They thought that we need additional servicing fees, which we are providing for, so that they can get to remote locations. They need more expense money for construction inspections, which we are providing for.

Senator **Melcher**. Could you provide me with some of the names of those lenders? I would like to deal with them directly and see how much it is going to cost for this extra service and what they think of the risk. I can understand when they say they want some extra fees. I want to know how much, and on that basis, whether it is even a viable thing.

Now, if it is a viable thing, fine. That is one point, and that is a legal point, and it is a legal correction that is probably needed. But I do not know how attractive this paper is going to be to these mortgage dealers.

Mr. **Abrams**. Senator, if it has FHA insurance, Ginnie Mae assures us they will include it in their regular pools, and it will be as attractive as any other FHA-insured loan, because FHA takes all the risks. Therefore, there are no risks in the secondary market.

The mortgage bankers we talked to in the Denver regional office who service that part of the country were Knutson, Bankshares, and Lomas and Nettleton.

Senator **Melcher**. Knutson, Bankshares, and what?

Mr. **Abrams**. Lomas and Nettleton. We will be happy to provide your staff with information on whom we spoke with.

Senator **Melcher**. All right.

[Subsequent to the hearing the following information was received for the record:]

Following is a list of private lenders contacted by HUD staff who expressed an interest in participating in the proposed HUD Indian housing program:

(1) Bankshares, serving the Denver area;
(2) Cameron & Brown, serving the North Carolina, Georgia, South Carolina, Florida, Virginia and Mississippi areas;
(3) Commonwealth Mortgage Co., with headquarters in Boston, serving a six state area;
(4) Continental Mortgage, serving tribal areas in Oregon and Washington;
(5) First Interstate Bank, serving the Oregon and Washington areas;
(6) Gulf Coast, serving Texas, New Mexico, Louisiana, California, Georgia, and Florida;
(7) Knutson, serving the Denver area;
(8) Lomas & Nettleton, with approximately 105 branches and serving the Denver area;
(9) Rainier Mortgage, serving the Oregon and Washington areas;
(10) Schumacher, serving Tennessee, Minnesota and Michigan;
(11) Security Pacific, serving Washington, Texas, California, Minnesota and Oregon;
(12) Shearson American Express, serving Louisiana, Arizona, Oklahoma, Texas, Utah, Georgia, Tennessee, Idaho, and Washington;
(13) Stockton, Whatley, Davin & Co., serving the Florida and Georgia areas;
(14) Union Mortgage, serving Arkansas, Alabama, Texas, Georgia, Oklahoma, New Mexico, Ohio, South Carolina, Illinois, Kansas, Tennessee, Virginia, Iowa, Missouri, Mississippi and Indiana.

Senator **Melcher**. Now, as to the tribe that does not have any assets, does not have any income, and I will use the Rocky Boy's as an example, they are agreeing to do something that is going to be contingent upon a block grant already in hand or assured—it had better be in hand because assured is not going to mean much.

Mr. **Bollinger**. But only if they have no capacity to put another family into a foreclosed property. The necessity to have a block grant amount of money set aside on a foreclosure is going to be very remote because we would anticipate that the tirbes would have the ability, in case of a default, to move a new family into that particular unit, never having to deal with the block grant amount of money.

We think the chances of having to have, in effect, an escrow account set aside by the tribe to take care of a foreclosure action is quite remote.

Senator **Melcher**. Well, the Rocky Boy's have $62,000 total in trusts. They cannot find any income off the reservations in any given year.

Mr. **Abrams**. We understand that, but this program is designed to specifically work in that type of operation.

Senator **Melcher**. It would require, then, a block grant being available; not just assured.

Mr. **Abrams**. No, it would not. It could call upon future block grants.

Senator **Melcher**. That is right.

Mr. **Abrams**. But the way the program is set up, particularly for the poorer tribes, is to facilitate the use by very low-income families to allow for the substitution of a new family if the family that is there does not make payments.

In the case of the very low-income family that has a certificate, the payment on a certificate, which is enough to cover the cost of the mortgage payments, could be made directly to the mortgage lender, or to the tribe if the tribe so chooses, so that the stream of payments for the very low income families is assured by the certificate that is attached to the house.

Senator **Melcher**. if there is no need for the tribe to have any money, I guess it is academic, anywhay, if you are only going to have 1,500 units. Is that right?

Mr. **Abrams**. Well, yes. That is not academic, but the program this year, the appropriation this year, is for 2,000 units. We have two different models. Under the housing model that conbines FHA insurance and the certificate, the $76 million would provide for 1,500 families. In addition to the 1,500, you could have anywhere from 1,200 to 4,000 provided under the additional block grant funds, depending upon whether the tribes decides to address the needs of the 13,000 housing units throughout the country on reservations that do not have adequate plumbing. For a small amount of money, for $2,500 or $3,000, you could put 13,000 units into standard, safe and decent housing conditions.

In addition to that, and not counted in the totals, you have the facility for those tribes where they do have middle-income families that can afford to pay for their own house but cannot get a mortgage because of the trust status of the land. That, as we understand it, is about 20 percent of the populations on trust lands. Those families, in addition to those 4,000 units, would be able to have the same opportunity for home ownership that all other Americans have, by being able to get a mortgage with a small downpayment under the FHA programs and be able to buy their own residence, borrowing money from the private sector.

Senator **Melcher**. The latter point you made is entirely separate, but it is a good point. I am not being critical of it. It is removing the legal barrier. That same family is not going to be looking for a $42,000 house, probably, anyway. It is going to probably be looking for something a lot better than that, and this would permit them to do so.

Mr. **Abrams**. Absolutely, depending upon their income and the same qualifications——

Senator **Melcher**. But you are also assuming that the tribe has provided a mechanism for assuming any loss that might have to be assumed.

Mr. **Abrams**. Yes, sir.

Senator **Melcher**. And that becomes now a catch 22 also for that Indian family that you are describing being able to, by removing the legal barrier, get a VA or an FHA loan on their own merit and make the payments, just like anybody else.

But the catch 22 is still whether the tribe wants to take over that responsibility, in case of default. That is a catch 22 because the tribes are going to be very reluctant to assume that responsibility.

Mr. **Abrams**. I think our premise is that if the tribes are interested, as we believe they are, in providing housing opportunities for people on the reservations, then they will be willing to take that responsibility. But we have a backup mechanism so that if an unsubsidized family has a home and defaults, the tribe could then write down the cost of that home to the certificate level and substitute a low-income family with a certificate in that house.

Senator **Melcher**. Would the certificate come from the block grant, or where?

Mr. **Abrams**. We have the certificate. In the program, the $76 million is divided; $38 million for certificate subsidy and $38 million for write-downs of sewer and water and capital costs of the house.

Senator **Melcher**. I understand that you have had an agreement with IHS to transfer $18 million of fiscal year 1982 money that you have for water and sewer?

Mr. **Abrams**. Yes, and sewer.

Senator **Melcher**. Was this agreement signed?

Mr. **Abrams**. Yes. We have a memorandum of understanding with IHS, and it is being implemented.

Senator **Melcher**. It is being implemented and the money is being transferred?

Mr. **Abrams**. Yes, sir.

Senator **Melcher**. Thank you very much, Mr. Abrams.

Senator **Andrews**. Senator Murkowski?

Senator **Murkowski**. Thank you very much, Mr. Chairman.

I apologize for not having been here earlier to hear the questions pertaining particularly to the State of Alaska and the position that HUD is taking toward Indian housing programs in our State, which I understand is that HUD intends to terminate its participation in Alaska Indian housing. Is that correct?

Mr. **Abrams**. No. The proposal is to only provide it on trust lands in Alaska or in the lower 48.

Senator **Murkowski**. What is a trust land in Alaska, if I may ask? Could you give me a definition of trust land?

Mr. **Abrams**. I cannot give you a legal definition of what a trust land is.

Senator **Murkowski**. Can any of your staff do that for us?

Mr. **Abrams**. I am advised by my staff that it is land held in trust for the individual or the tribe.

Senator **Murkowski**. In regard to land that would be selected by a regional corporation or a village corporation that has not been transferred from the Federal Government, would you say the Federal Government was holding that in trust?

Mr. **Abrams.** I am advised that most of those would not qualify, but I can check and get you an answer for the record.

Senator **Murkowski.** If they would not qualify as being held in trust, what qualification would they be under? They are not a reservation.

Mr. **Abrams.** I am unable to answer your question, Senator.

Senator **Murkowski.** I assume the record will be open. I would appreciate it.

Senator **Anderews.** The record will be open to allow the Senator to ask whatever questions he would like. We have a series of questions. You can coordinate it with the questions that we have already asked, so that we get a complete record.

Senator **Murkowski.** Thank you. I would appreciate some clarification on that because I think it is pertinent.

[Subsequent to the hearing the following question and answer was received for the record:]

Question. If the land would not qualify as being held in trust, what qualification would they be under?

Answer. It is our understanding that, other than previously restricted individual allotments, land selected by an Alaskan Regional Corporation or a village corporation, when fully transferred from the Federal Government, will be patented in fee simple with few restrictions on alienation. Therefore, such lands could conceivably be used as the kind of collateral required by private lending institutions.

Senator **Murkowski.** Do you have any idea what HUD's program for Alaska is as far as its being applicable to your particular definition of what trust land is in Alaska? How much are we looking at in the availability of HUD?

Mr. **Bollinger.** With respect to the block grant program that falls under the Secretary's discretionary program, Senator, we would have approximately 15 tribes that would fall under, I believe, the definition of a tribe with trust lands.

The amount of funding that would be available through the block grant program would be dictated—and I do not have a breakdown at this point but can provide it for the record by our allocation formula. Our particular program operates out of six regional offices, and the distribution of the funds under the Secretary's discretionary fund is based upon the eligible Indian population contained within those regions.

Senator **Murkowski.** What is the eligible Indian population?

Mr. **Bollinger.** Under the Interior definition of eligible Indian tribe that we would utilize and would be utilizing for the administration of both the housing program and the community development block grant program, it is the population of all eligible tribes.

Senator **Murkowski.** You will provide for the record what the allocation might be for Alaska, then, is that right?

Mr. **Bollinger.** Yes, sir.

[Subsequent to the hearing the following information was received for the record:]

In addition to the Metlakatla Indian community of the Annette Island Reserve, the following Alaska native villages have land in varying degrees of trust status and would thereby be eligible to participate under the proposed HUD Indian Housing program: Kake, Angoon, Klawock, and Hydaburg.

The current CDBG Indian allocation level for Alaskan Indians is $2,856,000. The five Tribes would get an allocation of approximately $149,000. The State of Alaska would gain $990,000 in small cities CDBG funds while the Indian assistance for Alaska would be reduced by $2,707.000. The net loss for Alaska from CDBG would be $1,717,000, based on 1983 data.

Mr. BOLLINGER. Again, that is competitive, and I cannot tell you exactly, under our program, Senator, how much specifically would be earmarked for Alaska, because it is dependent on the eligibility of the tribes for Indian program and small cities CDBG assistance.

There is no set-aside, Senator, in effect—to get to a bottom line—for Alaska Indian tribes under the community development block grant program.

Senator MURKOWSKI. Let me make sure I understand you. It is my understanding that HUD had been spending about $20 million annually in Alaska to build some 200 to 250 new units each year. Are you suggesting that that will not be maintained?

Mr. ABRAMS. Yes; we are suggesting that would not be maintained, except on—I am advised that there is one reservation that is trust lands, plus there are numerous individual trust properties throughout the State. We will get you a list of which lands qualify.

Senator MURKOWSKI. Are you under the impression that mortgage financing is available in the traditional bush Alaska area where the villages are?

Mr. ABRAMS. No; but we understand that it is not only a problem in Alaska but in other rural parts of the country, and we are committed to make——

Senator MURKOWSKI. So you are eliminating Alaska from a program that previously it participated in, and I am trying to get at the reason why Alaska's bush communities, the villages namely, are being eliminated from this program. On what basis was the decision made?

Mr. Abrams. We are committed to making the FHA program work in the rural areas of Alaska as well as the lower 48 States. We currently are using, on nontrust lands in Alaska, the section 8 existing certificate, which we will continue to use on those lands in Alaska.

Senator MURKOWSKI. Well, I an not sure that the FHA programs, as we conventionally understand them, will be applicable on these remote areas where there have not been surveys taken. The title is still vested in one Federal agency or another. In many cases, it is in the process of transferring. The success of the program in Alaska has been substantial. I feel very strongly that to suggest that there are existing programs available to pick up the slack is unrealistic.

I would like to see the HUD program include Alaska for those areas in which conventional financing is not available. We can get conventional financing in Anchorage and Fairbanks and our major cities. But it is not in existence, nor is it available, in the small areas of less population or the bush, as we refer to it, or traditional Alaska villages.

I think, too, that there is some justification to look back at commitments that have been made in the past. It is my understanding that the Bartlett housing program originally provided housing for Alaska's native community, up until the HUD program, and again in the earlier 1970's. We had been assured that HUD would continue to cover Alaska in their Indian housing proposals, and, based on that representation, we acquiesced and allowed the Bartlett program to expire.

I guess my question is now, why are you ignoring what we took to be a promise that Alaska would continue in the HUD program as far as Indian housing was concerned?

Mr. ABRAMS. Well, my only answer for you, Senator, is that in reappraising the needs among Indians, we have looked particularly at the problems with housing on trust lands because they are unique to Indian tribes, and we are depending upon traditional programs, whether it is community development block grant funds for small cities or the traditional HUD programs for income supplements to take care of nontrust land Indian communities in the same way that we respond to the housing needs of all other Americans.

Senator MURKOWSKI. Well, we have not, as a fact—and I think my colleagues would share—done a very good job with the American Indian community in providing housing. There are a lot of reasons for it, but obviously, the one I am concerned about is, when our State is eliminated from the program, it affects the native people because those are the areas where the conventional financing is not available. That is my point.

Mr. BOLLINGER. Senator, I think much of your concern—and certainly the Indian proposals from the variety of departments and agencies that are being reviewed are a part of an overall administration package—I think, with respect to many of these rural areas that you allude to in Alaska will be, we feel, addressed and addressed adequately through the rural housing block grant program that the administration will be sending forward to the Congress.

We also have Farmers Home Administration housing programs in addition to the ability of the Indian tribes to compete, and we certainly think the state of Alaska, especially with respect to the block grant program, will find these Indian tribes eligible for their State-administered block grant program, because their program dollars are based upon need and population and will increase significantly the amount of money that Alaska would receive under the State-administered small cities block grant program, again adding to the amount of dollars available for the tribes.

Certainly, the tribes can make a very legitimate claim with the State officials. If they are going to count them as part of the now eligible population for the block grant program, certainly they can make legitimate claims on having access to those funds.

Senator MURKOWSKI. I would agree. We have a couple of "if's" in it, though—if it passes, and if there are appropriations. Then, of course, we are eligible in a marketplace where we are going to have to compete, where now we are part of a program.

We did not address my concern over the commitments that were made previously with regard to the Bartlett housing program. That is something that, had we known we were going to be thrown out of HUD, I question whether—although I was not involved, but my colleague, the senior Senator, Senator Stevens, was—they would have acquiesced in allowing that program to die.

To suggest, in any type of rationale, that Alaska natives should be excluded from these programs, I can cite specifically the other Federal agencies that have indicated a specific published list of entities which provide eligibility for BIA services, which are included and extended to 180 Alaska villages. So there is a consistency there. It is in the Federal Register of November 24, 1982.

I think, Mr. Chairman, with all due respect, my initial question as to what the classification of this land is that Alaska natives now enjoy—neither is it conveyed, neither is it reservation, neither does it qualify for HUD—it appears to be something that is just totally left out, and I cannot emphasize strongly enough the inability of the conventional money to go out in the bush areas where there is no title, no surveys, and provide any type of assistance for housing that is needed in, obviously, a very harsh climatic area where these people are in need of this assistance.

One only has to go back to the program and find that the cooperation between HUD and the BIA has resulted in a very worthwhile application of a very acute problem in Alaska. Mr. Chairman, I would encourage continuation of the program.

Senator ANDREWS. I think my colleagues will find that we have asked them to supply for the record, when they get back to their shop and check into the reasons, not just on Alaska but also on Oklahoma and the rest.

Senator MURKOWSKI. I would join with Oklahoma.

Senator ANDREWS. I assure my colleague and good friend from Alaska that I share his concerns.

Senator MURKOWSKI. Thank you, Mr. Chairman.

Senator ANDREWS. Thank you, Mr. Secretary. We appreciate your coming up. We will look forward to your answers to the several questions that we are submitting.

Senator ANDREWS. The next witnesses are witnesses representing the Department of Health and Human Services and the Indian Health Service.

We will hear today from John Kelso, the deputy administrator; Dr. Everett Rhoades, the director of the Indian Health Service; Howard Roach, the associate director for administration of the Indian Health Service; John Mahoney, budget officer for the Public Health Service, and Dr. Lois Steele, the director of INMED from the University of North Dakota, Grand Forks, N. Dak

Let me point out that the committee has requested tht Dr. Lois Steele, director of the Indians Into Medicine program at our University of North Dakota, be here today, and I would like to thank Dr. Steele very mch for making herself available to the committee.

I would also like the record to reflect that all questions directed to Dr. Steele concern her first-hand experience and obsevations. Obviously, we understand the ground rules: no questions regarding policies of the Department of Health and Human Services will be addressed to Dr. Steele. You are lucky. You can tell us how it works out in the field, but not on policy.

Personally, I would like to welcome you here, Lois. It has been some time since I have seen you, and I know full well you are subject to the Department's general prohibition on IHS employees—and other employees, for that matter—visiting the Hill. The Department uses the term "lobbying." It seems to be OK in the Defense Department, but they frown on it in other places.

I hope that, in the future, you will be able to stop by and say hello on a more frequent basis, and I assure the department that I will not let you lobby. So, thanks for coming. It is good to see you.

As I understand, Mr. Administrator, you are kind of the lead-on person. My apologies for these hearings having gone on and on into the afternoon and approaching early evening, but let me assure you that every word you have in your prepared statement, which we studied diligently all evening, will appear in the record as though you uttered every last word, and you may proceed to summarize in whatever way you deem best, and we can then get to the questions in order to make a more complete record.

STATEMENT OF JOHN KELSO, DEPUTY ADMINISTRATOR OF HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES, ACCOMPANIED BY DR. EVERETT RHOADES, DIRECTOR, INDIAN HEALTH SERVICE, DHHS; HOWARD ROACH, ASSOCIATE DIRECTOR FOR ADMINISTRATION, INDIAN HEALTH SERVICE; JOHN MAHONEY, BUDGET OFFICER, PUBLIC HEALTH SERVICE; AND DR. LOIS STEELE, DIRECTOR OF INMED, UNIVERSITY OF NORTH DAKOTA

Mr. KELSO. Thank you, Mr. Chairman.

We, too, are glad to have Dr. Steele here joining us at the table.

I would like to read my statement into the record. It is rather brief in the first place, and I think I can just cover it quickly.

I am John Kelso, deputy administrator of the Health Resources and Services Administration. With me are Dr. Everett Rhoades, director of the Indian Health Service; Mr. Howard Roach, associate director for administration, Indian Health Service; and Mr. John Mahoney, budget officer for the Public Health Service.

I am pleased to be here today to discuss with you and your committee the fiscal year 1984 budget request for Indian health programs.

The Indian Health Serivce, as a health delivery system, is an integral part of the Department of Health and Human Services. Organizationally, the Indian Health Service is one of four bureaus in the Health Resources and Services Administration, an agency of the Public Health Serivce.

The IHS, as the primary Federal health resource for approximately 903,000 American Indians and Alaska Natives—64 percent of the total Indian population in the United States—carries out this mission through a comprehensive health delivery system. This comprehensive system provides high quality preventive, curative, rehabilitative, and environmental health services through programs managed and operated by both the IHS and various tribes utilizing both direct and contract health services.

These services are provided to the Indian population located primarily on or near Federal Indian reservations and in traditional Indian communities.

Since fiscal year 1974, the Federal Government, through the Indian Health Service, has spent over $5 billion on health care for

Indians. The system includes 48 hospitals, 90 health centers, and more than 300 smaller health stations and satellite clinics operated by the IHS and four hospitals and 252 health clinics operated by tribes under contract with IHS.

In addition, a variety of health services, ranging from outreach and referral activities to comprehensive ambulatory care, are provided to Indians in urban settings through 37 urban health projects.

For fiscal year 1984, the administration is requesting a budget for the IHS of $720.3 million for services.

Coupled with the IHS reimbursement reforms proposed for fiscal year 1984, the President's budget request will continue to maintain the traditional Federal role in delivering health care to the Indian people. The provision of basic inpatient and outpatient medical services will continue as the highest IHS priority.

The President's fiscal year 1984 budget includes a major initiative to increase collections for services from insurance and other sources to supplement the appropriation request. Currently, the IHS collects $200 million from medicare and medicaid. The proposal in the President's budget would result in expanding medicare and medicaid collections to $40 million as well as $30 million from insurers who cover Indians and their families, for example, the Federal employees health benefits program.

In addition to the annual appropriations request, increased collections from reimbursements will result in increased IHS flexibility to maintain existing health services levels despite the increasing cost of medical care. Such additional support will strengthen efforts to improve the health status of the Indian people, while assuring that third-party payers reimburse for covered health services.

In addition to maintaining high priority health services, the fiscal year 1984 request for the Equity Health Care Fund contains an increase of $9.9 million for a total request of $32.4 million. the equity fund, originally established through the fiscal year 1981 Appropriations Act, is intended to ensure that those tribes with the greatest resource deficiency receive priority funding.

This 1984 funding level will permit the IHS to raise the level of health care for tribes in levels IV and V of the IHS Health Services Priority System.

The provision and maintenance of high quality health care requires that the standards and criteria set forth by the Joint Commission on Accreditation of Hospitals, JCAH, and the Health Care Financing Administration be achieved and maintained.

Currently, 38 of the 48 hospitals operated by the IHS and all four hospitals operated by the tribes are accredited by the JCAH and therefore are eligible for participation in the medicare-medicaid program. The remaining 10 non-accredited hospitals are, however, certified by the Health Care Financing Administration for participation in the medicare program, as are all free-standing health centers.

Indians living in urban areas will continue to be eligible for services funded by block grants to States and other State and local health services delivery programs.

With regard to Indian health manpower, the fiscal year 1984 budget includes support of 70 new nursing students and will also provide for the continuation of scholarships funded in fiscal year 1983 through the completion of the degree that the student is presently pursuing.

Over the past several years, the increase in the level of services, the intensification of self-determination efforts, and overall program growth have placed an extreme demand on the management capacity of the Indian Health Services. The IHS will continue to examine alternatives for more efficient management practices.

With regard to Indian self-determination, let me assure you that the IHS will continue to assist the tribes to assume the responsibilities for health services through the Public Law 93-638 authority.

This concludes my opening statement. We will be glad to answer any questions you may have.

Senator ANDREWS. Thank you, Mr. Kelso.

In previous years, you submitted a chart series to the appropriations committees which has been very helpful in understanding the unique role that Indian Health Service plays within the department.

Can you submit this chart series to the committee for inclusion in the record, so we will have a complete record?

Mr. KELSO. Yes, sir.

[The charts follow. Testimony resumes on p. 164.]

History of the 1984 Request
Indian Health Services Appropriation
(Dollars in thousands)

	IHS Request			HRSA Allowance			PHS Allowance			[illegible] Allowance			Department Allowance			OMB Allowance			Difference IHS Request vs OMB Allowance		
	Pos.	FTEs	Amount	Pos.	FTEs	Amount	Pos.	FTEs	Amount	Pos.	FTEs	Amount	Pos.	FTEs	Amount	Pos.	FTEs	Amount	Pos.	FTEs	Amount
FY 1983 Appropriation	10,938	10,292	$625,583	10,938	10,292	$625,583	10,938	10,292	$625,583	10,938	10,292	$625,583	10,938	10,292	$625,583	10,938	10,292	$625,583	--	--	$ ---
FY 1983 Pay Act Supplemental	--	--	14,274	--	--	14,274	--	--	14,274	--	--	14,274	--	--	14,274	--	--	14,274	--	--	---
FY 1983 Revised	10,938	10,292	639,857	10,938	10,292	639,857	10,938	10,292	639,857	10,938	10,292	639,857	10,938	10,292	639,857	10,938	10,292	639,857	--	--	---
Direct Appropriation																					
FY 1984 Built-in:																					
Mandatory increases related to inflation	1/ 130	2/ 230	36,361	1/ 130	2/ 230	40,716	3/ 111	4/ 180	35,850	3/ 111	3/ 83	27,190	3/ 111	3/ 83	33,444	(33)	(82)	32,193	-130	-230	-36,366
FY 1984 Built-in Decreases:																					
Indian Health Manpower	--	--	---	--	--	-610	--	--	-620	--	--	-620	--	--	-620	--	--	---	--	--	---
Subtotal, Built-in Increases	130 3/	230 3/	36,361	130 3/	230 3/	40,096	111 2/	180 5/	35,230	111 3/	83 3/	26,570	111 3/	83 3/	32,824	(33) 1/	(82) 5/	32,193	-130	-230	-36,366
Program Increases																					
Staffing/operating cost of new facilities																					
Chinle, AZ Hospital	36	35	1,260	36	35	1,260	--	--	---	--	--	---	--	--	---	--	--	---	-36	-35	-1,260
Tahlequah, OK Hospital	236	182	5,789	236	182	5,789	133	116	4,065	133	116	4,065	133	116	4,065	--	--	---	-236	-182	-5,789
Anadarko, OK Health Center	49	47	1,711	49	47	1,711	43	33	1,190	43	33	1,199	43	33	1,199	--	--	---	-49	-47	-1,711
Ft. Duchesne, UT Health Center	15	15	320	15	15	320	7	5	179	7	5	179	7	5	179	--	--	---	-15	-15	-320
Huerfano, NM Health Center	50	40	1,750	50	40	1,750	30	30	1,257	30	30	1,257	30	30	1,257	--	--	---	-50	-40	-1,750
Inscription House, AZ Health Center	28	27	1,008	29	27	1,008	6	5	186	6	5	186	6	5	186	--	--	---	-29	-27	-1,008
Lodge Grass, MT Health Center	9	9	323	9	9	323	6	5	179	6	5	179	6	5	170 *	--	--	---	-9	-9	-323
Tsaile, AZ Health Center	67	30	1,232	67	30	1,232	67	33	1,222	67	33	1,222	67	33	1,222	--	--	---	-67	-30	-1,232
Subtotal	490	385	12,761	490	385	12,761	311	233	8,307	311	230	8,307	311	233	8,307	--	--	---	-490	-385	-12,761
Contract Care	--	--	47,000	--	--	23,000	--	--	---	--	--	---	--	--	---	--	--	---	--	--	-47,000
Urban	--	--	11,000	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	--	--	-11,000
Indian Health Manpower	--	--	1,610	--	--	800	--	--	800	--	--	800	--	--	800	--	--	144	--	--	-1,610
Equity Health Care Fund	--	--	63,353	--	--	14,870	--	--	14,070	--	--	12,870	--	--	12,870	--	--	---	--	--	-63,353
Clinical Support Services	60	47	10,377	60	47	10,031	--	--	---	--	--	---	--	--	---	--	--	---	-60	-47	-10,377
ADP/Telecommunications	--	--	9,095	--	--	2,616	--	--	---	--	--	---	--	--	---	--	--	---	--	--	-9,095
Long term training	--	--	1,146	--	--	193	--	--	---	--	--	---	--	--	---	--	--	---	--	--	-1,146
Radiation Protection Standard	--	--	3,600	--	--	3,600	--	--	---	--	--	---	--	--	---	--	--	---	--	--	-3,600
Tribal contractual services	--	--	20,720	--	--	13,660	--	--	---	--	--	---	--	--	---	--	--	---	--	--	-20,720
Tribal Management	--	--	1,804	--	--	517	--	--	---	--	--	---	--	--	---	--	--	---	--	--	-1,804
Increased staff for Program Mgmt.	193	185	3,406	80	80	3,466	--	--	---	--	--	---	--	--	---	--	--	---	-193	-185	-3,406
Total Program Increases	783	617	188,954	596	514	84,397	311	233	36,073	311	230	33,073	311	233	33,073	--	--	188	-783	-617	-188,710
Indian Health Facilities	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	--	200	190	--	+200	+190
Program Decreases																					
Hospital & Health Clinics	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	--	-18	-1,325	--	-18	-1,315
Dental Health	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	--	-19	-836	--	-19	-836
Mental Health	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	--	--	-42	--	--	-82
Alcoholism	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	--	-1	-1,000	--	-1	-1,000
Sanitation	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	--	-2	-218	--	-2	-218
Public Health Nursing	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	--	-1	-38	--	-1	-41
Health Education	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	--	-4	-41	--	-4	-41
Community Health Representatives	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	-4	-28	-29,736	-4	-28	-29,716
Alaska Immunization & Hospital Screening	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---
Urban	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	--	--	-6,000	--	--	-6,000
Indian Health Manpower	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	--	--	-1,716	--	--	-1,716
Direct Operations	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	--	-11	---	--	-11	---
Subtotal, Decreases	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	-4	-38	-38,736	-4	-38	-38,736
Net Change	+868	+843	+213,447	+735	+764	+124,383	+422	+413	+39,303	+422	+318	+60,665	+422	+318	+55,101	-6	-30	-7,351	-849	-663	-232,818
FY 1984 Request (Direct Appropriation)	11,798	11,135	985,324	11,603	11,036	784,230	11,380	10,707	719,162	11,380	10,610	700,502	11,380	10,610	714,958	10,949	10,472	632,706	-849	-663	-352,618
Reimbursements																					
[illegible]																					
[illegible] related to inflation	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	(107) 1/	(88) 2/	12,133	+107	+88	+12,133
Program [illegible]																					
Equity Health Care Fund	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	--	--	9,830	--	--	+9,830
Staffing/operating cost of new facilities:																					
Tahlequah, OK Hospital	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	(198)	(111)	3,983	(198)	(111)	+3,983
Ft. Duchesne, UT Health Center	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	(7)	(3)	179	(7)	(3)	+179
Inscription House, AZ Hlth Center	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	(4)	(3)	186	(4)	(3)	+186
Lodge Grass, MT Health Center	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	(6)	(3)	179	(6)	(3)	+179 *
Anadarko, OK Health Center	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	(36)	(28)	1,018	(36)	(28)	+1,018
Tsaile, AZ Health Center	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	(43)	(32)	1,130	(43)	(32)	+1,130
Huerfano, NM Health Center	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	(45)	(26)	1,218	(45)	(26)	+1,218
Subtotal	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	(293)	(206)	7,893	(293)	(206)	+7,893
Subtotal Program	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	(293)	(206)	17,767	(293)	(206)	+17,767
Regular Medicare/Medicaid	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	--	--	30,000	--	--	+30,000
Total Reimbursements	--	--	---	--	--	---	--	--	---	--	--	---	--	--	---	(393)	(238)	60,000	(393)	(238)	+60,000
FY 1984 Request (Direct Appropriation and Reimbursements)	11,798	11,135	985,324	11,603	11,036	[illegible]	11,380	10,707	[illegible]	11,380	10,610	[illegible]	11,380	10,610	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Regular Reimbursements	--	--	7,000	--	--	7,000	--	--	7,000	--	--	7,000	--	--	7,000	--	--	7,000	--	--	---
Total Obligations	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Indian Health Facilities	--	--	[illegible]	--	--	[illegible]	--	--	[illegible]	--	--	[illegible]	--	--	[illegible]	--	--	[illegible]	--	--	[illegible]
Total ([illegible])	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

1/ Chinle, AZ Hospital - 135 positions in Hospital & Health Clinic; 4 positions in Mental Health.

2/

Facility	Hospital & Hlth Clinic	Dental	Mental Health	Total
Chinle, AZ Hospital	163	3	3	169
Ft. Duchesne, UT Hlth Center	4	1	--	5
Inscription House, AZ Health Center	11	3	--	14
Lodge Grass, MT Hlth Ctr.	14	3	--	17
Albuquerque, NM Hlth Ctr.	[illegible]	2	--	[illegible]
Total	[illegible]	[illegible]	3	[illegible]

3/ Chinle, AZ Hospital - 187 positions Hospital & Health Clinic; 4 positions Mental Health.

4/

Facility	Hospital & Hlth Clinic	Dental	Mental Health	Total
Chinle, AZ Hospital	113	3	3	119
Ft. Duchesne, UT Hlth Center	4	1	--	5
Inscription House, AZ Health Center	11	3	--	14
Lodge Grass, MT Hlth Ctr.	14	3	--	17
Albuquerque, NM Hlth Ctr.	24	2	--	[illegible]
Total	[illegible]	[illegible]	3	[illegible]

5/ Chinle, AZ Hospital - 80 FTEs Hospital & Health Clinic; 3 FTEs Mental Health.

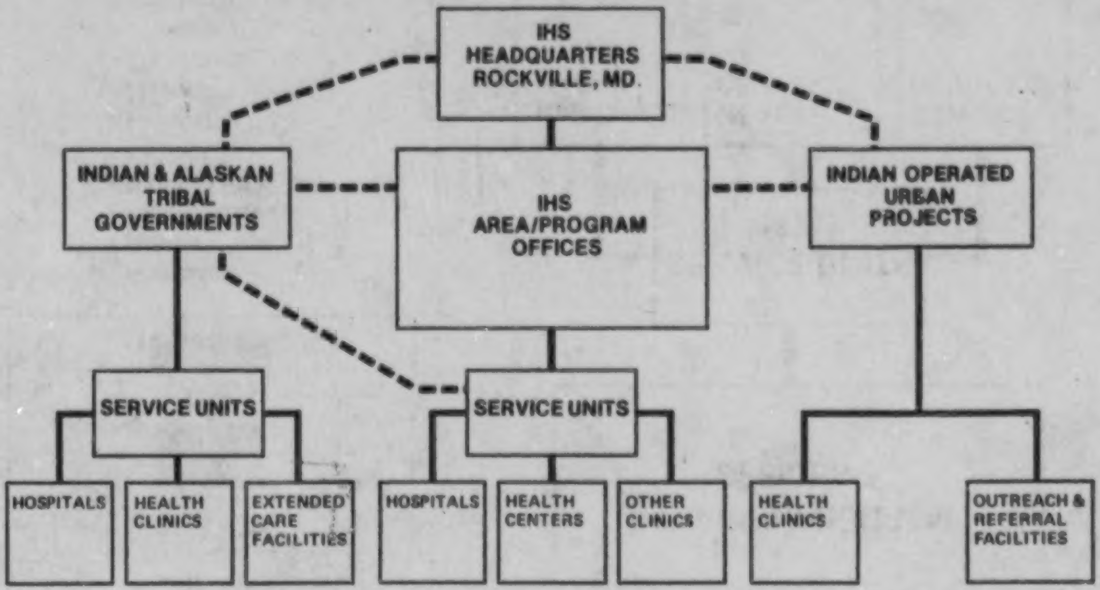
6/ Chinle, AZ Hospital - 49 pos - 79 FTEs - Hospital & Health Clinic; 4 pos - 3 FTEs - Mental Health Activity.

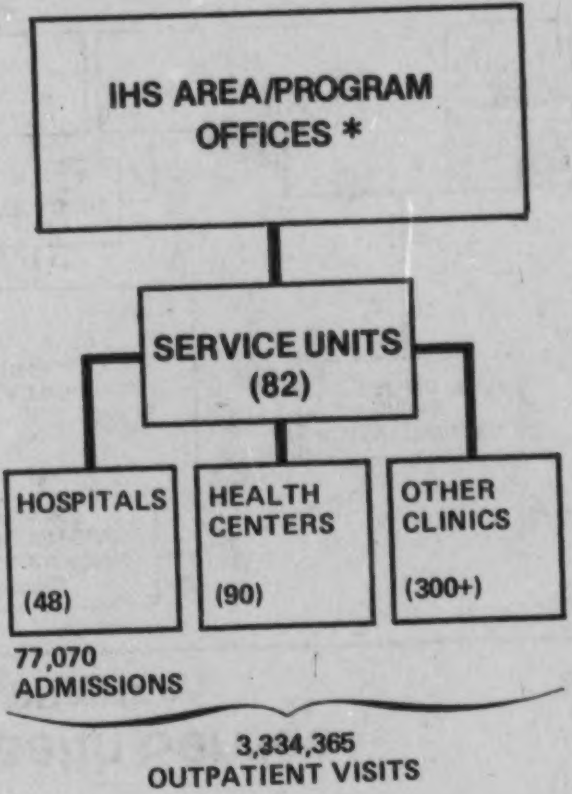
7/ Chinle, AZ Hospital - 107 pos - 80 FTEs - Hospital & Health Clinic.

* The additional positions and FTEs for these facilities are not included in the 1984 budget authority request but will be addressed by redeployment of current staff.

Indian Health Service

DHHS/PHS/HRSA


IHS HEADQUARTERS ROCKVILLE, MD.
INDIAN & ALASKAN TRIBAL GOVERNMENTS
IHS AREA/PROGRAM OFFICES
INDIAN OPERATED URBAN PROJECTS
SERVICE UNITS
SERVICE UNITS
HOSPITALS
HEALTH CLINICS
EXTENDED CARE FACILITIES
HOSPITALS
HEALTH CENTERS
OTHER CLINICS
HEALTH CLINICS
OUTREACH & REFERRAL FACILITIES



IHS AREA/PROGRAM OFFICES *

SERVICE UNITS (82)

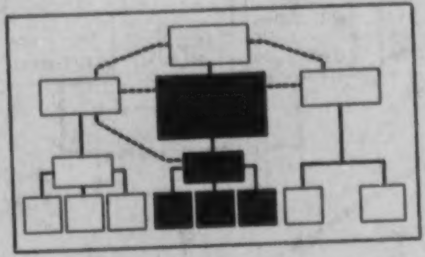
HOSPITALS (48)

HEALTH CENTERS (90)

OTHER CLINICS (300+)

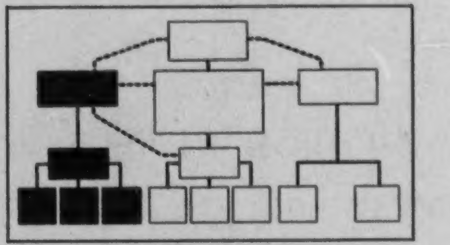
77,070 ADMISSIONS

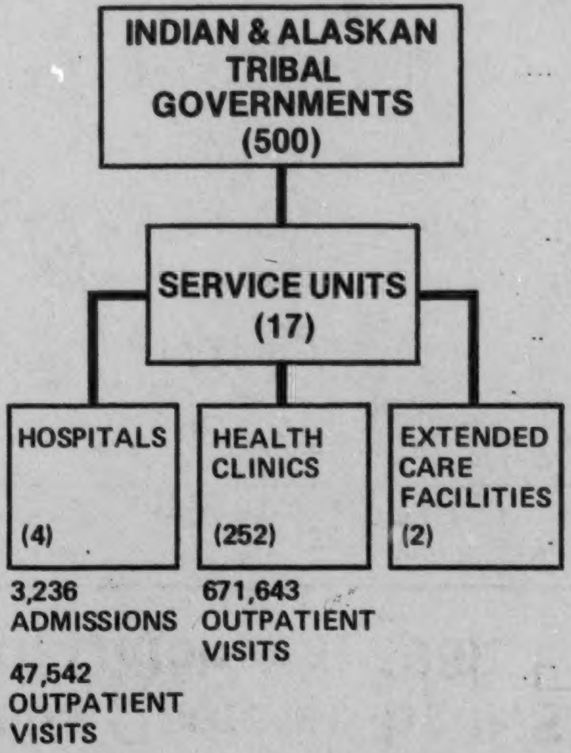
3,334,365 OUTPATIENT VISITS



*
- Aberdeen
- Alaska
- Albuquerque
- Bemidji P.O.
- Billings
- California P.O.
- Navajo
- Oklahoma
- Phoenix
- Portland
- Tucson P.O.
- United South and Eastern Tribes P.O.

Facilities as of October 1, 1982.
Workload for FY 1982.





INDIAN & ALASKAN TRIBAL GOVERNMENTS (500)

SERVICE UNITS (17)

HOSPITALS (4)

HEALTH CLINICS (252)

EXTENDED CARE FACILITIES (2)

3,236 ADMISSIONS

47,542 OUTPATIENT VISITS

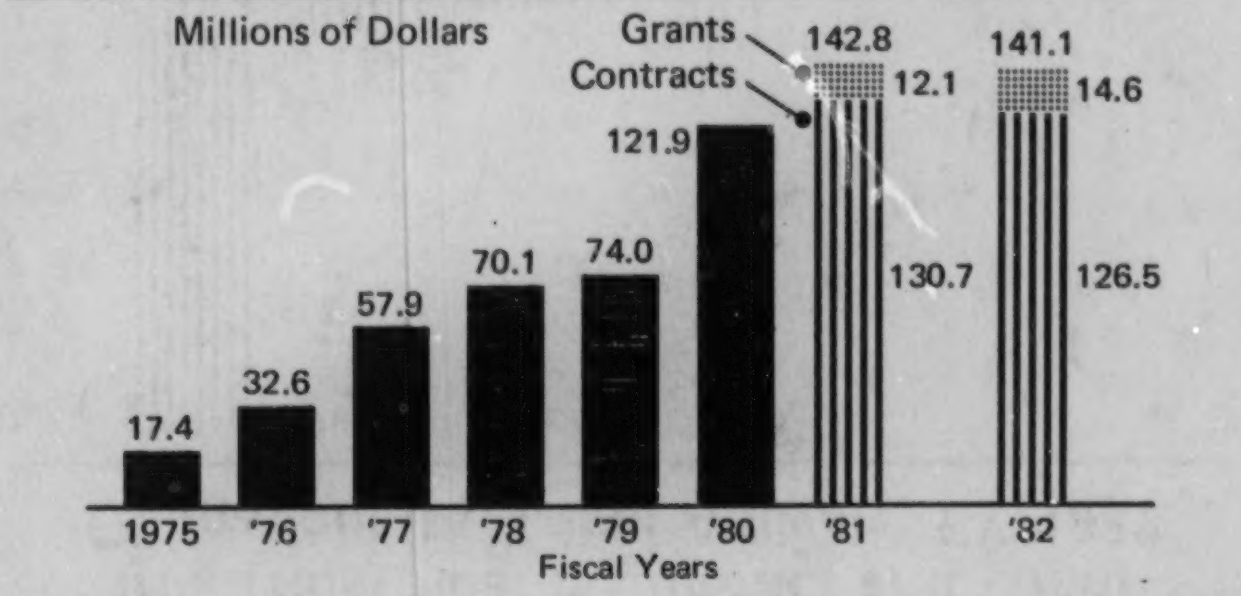
671,643 OUTPATIENT VISITS

Facilities as of October 1, 1982.
Workload for FY 1982.

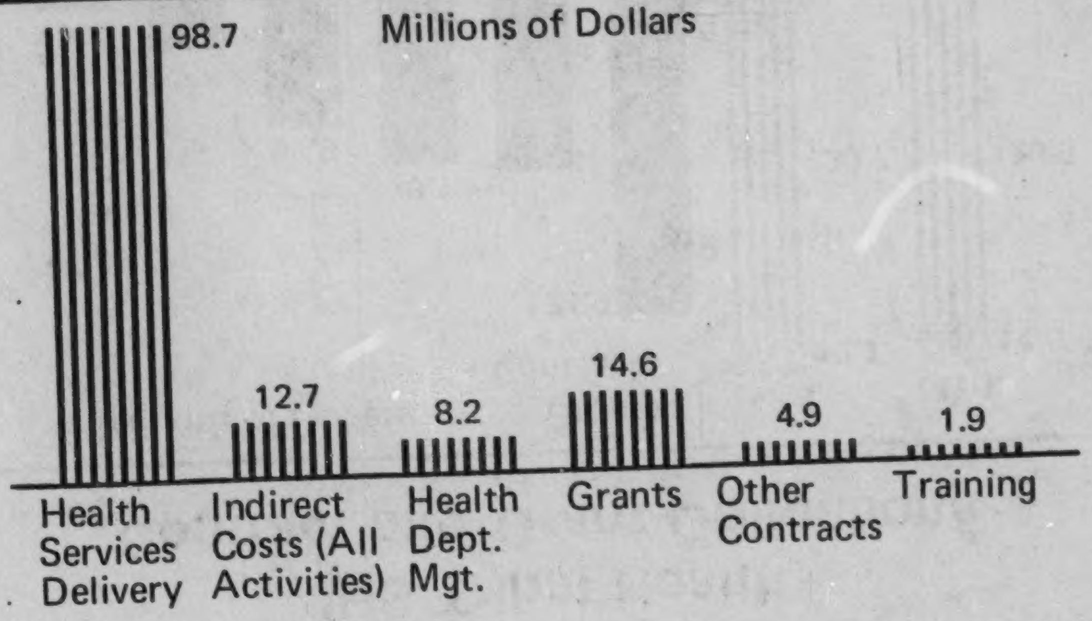
Number of Facilities Operated by IHS and Tribes as of October 1, 1982

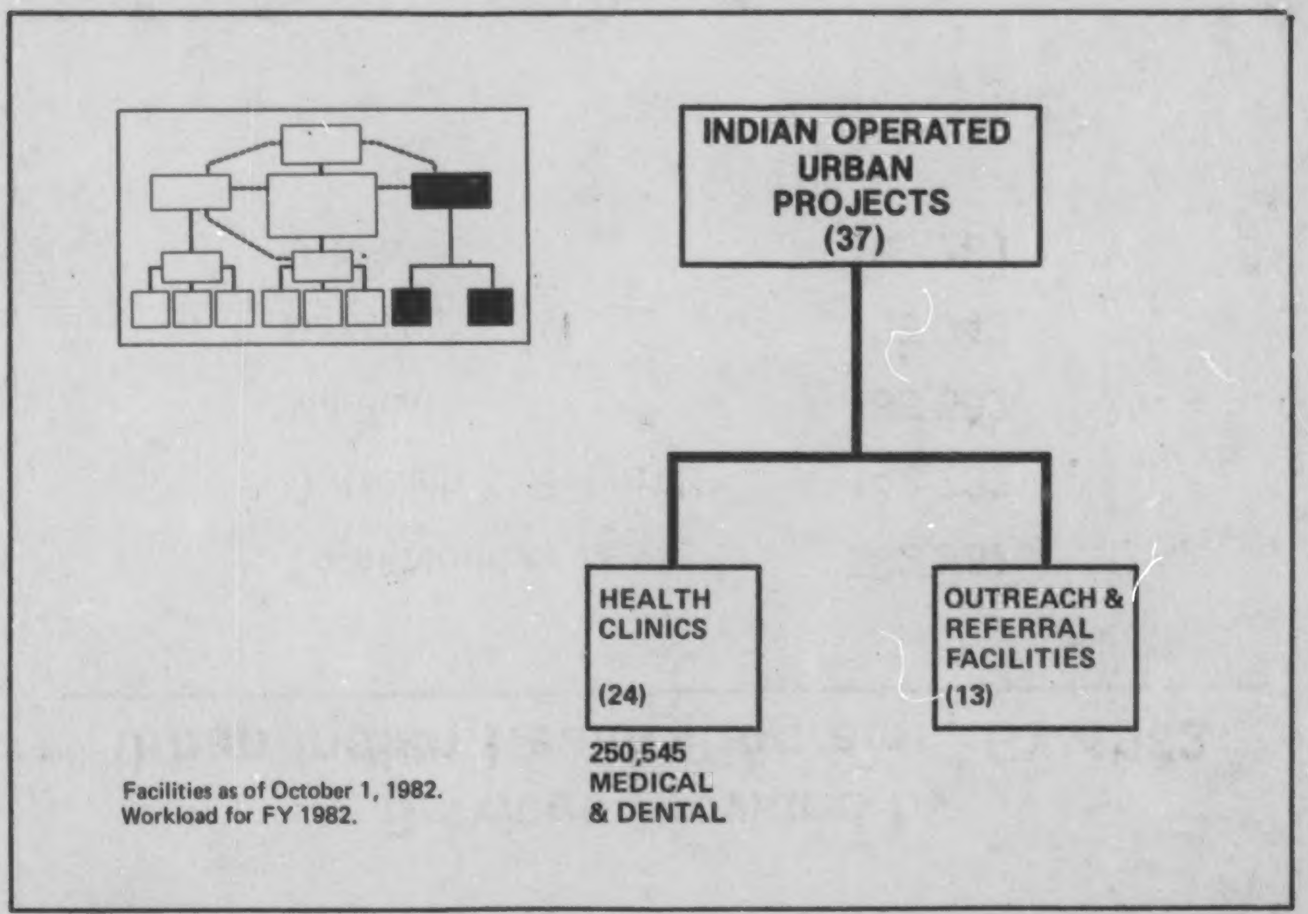
TYPE OF FACILITY	IHS	TRIBES
Hospitals	48	4
Number of Clinics	172	
Health Centers	76	252
School Health Centers	14	
Health Stations	82	

IHS Tribal Health Contract and Grant Obligations



IHS Tribal Health Contract and Grant Obligations by Tribal Activitiy, FY 1982



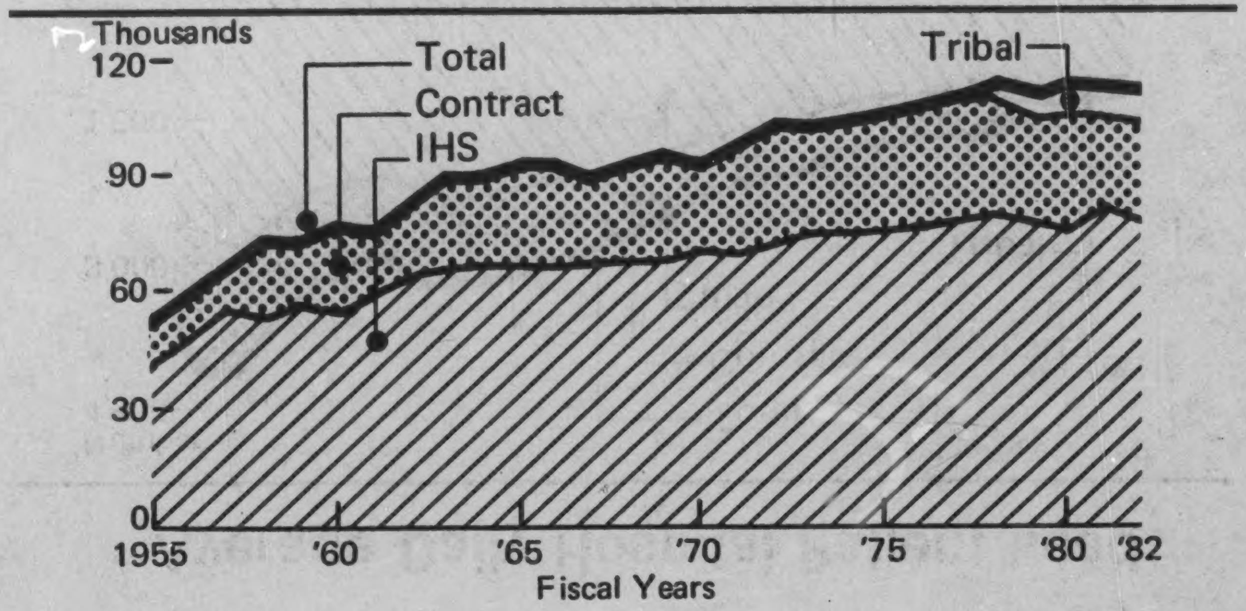

INDIAN OPERATED URBAN PROJECTS (37)
HEALTH CLINICS (24)
250,545 MEDICAL & DENTAL
OUTREACH & REFERRAL FACILITIES (13)

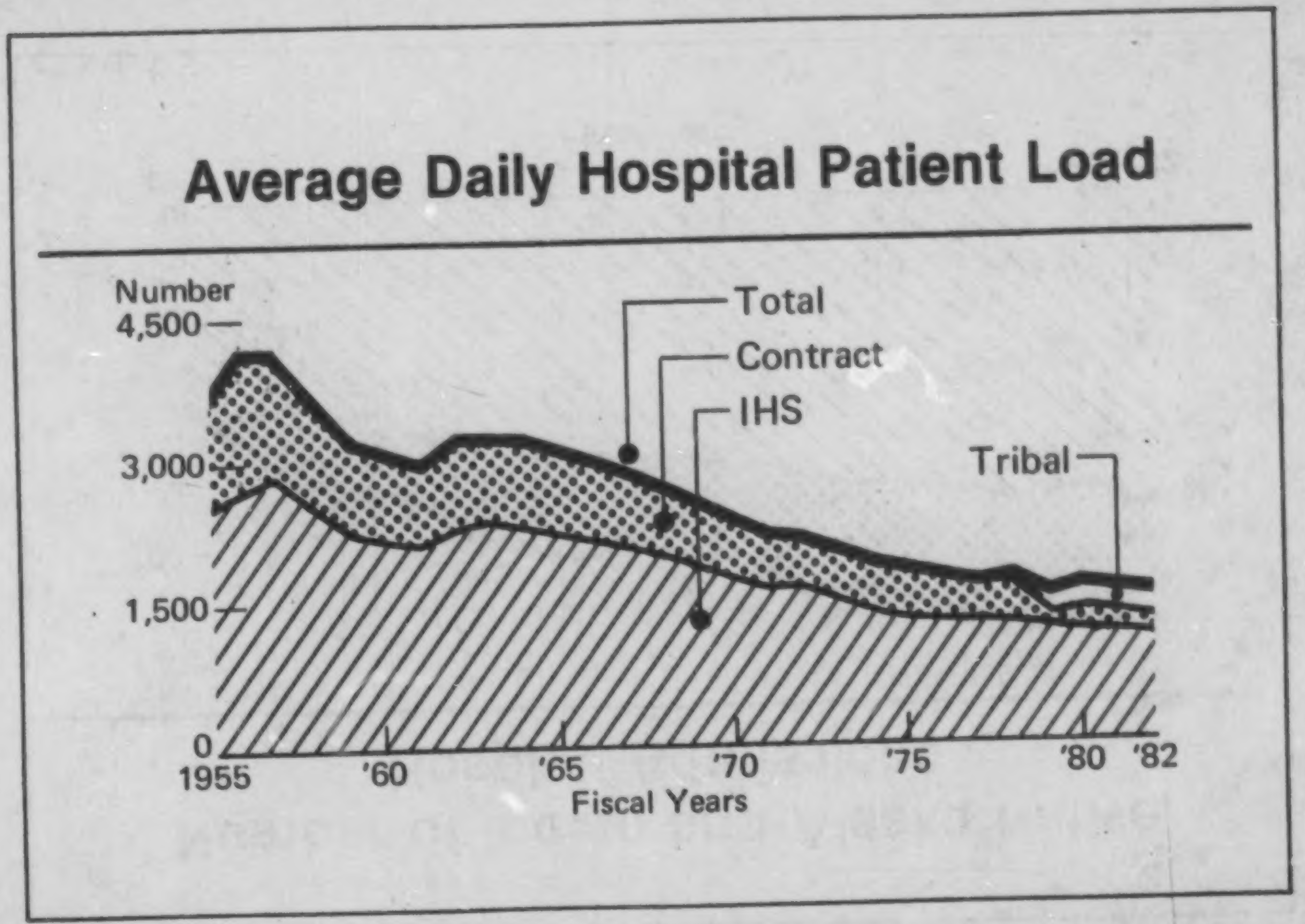
Facilities as of October 1, 1982.
Workload for FY 1982.

Services Provided by Urban Indian Health Programs, FY 1982

Total Number	582,567
Outreach & Referral	142,233
Medical	185,502
Dental	65,043
Other	189,789

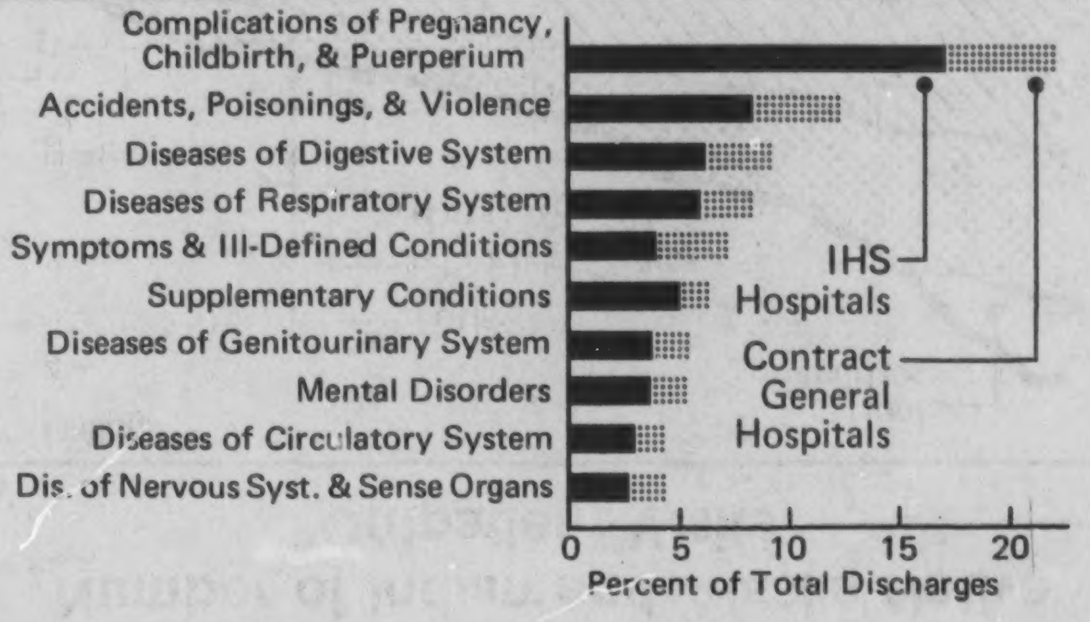
Number of Indian and Alaska Native Hospital Admissions



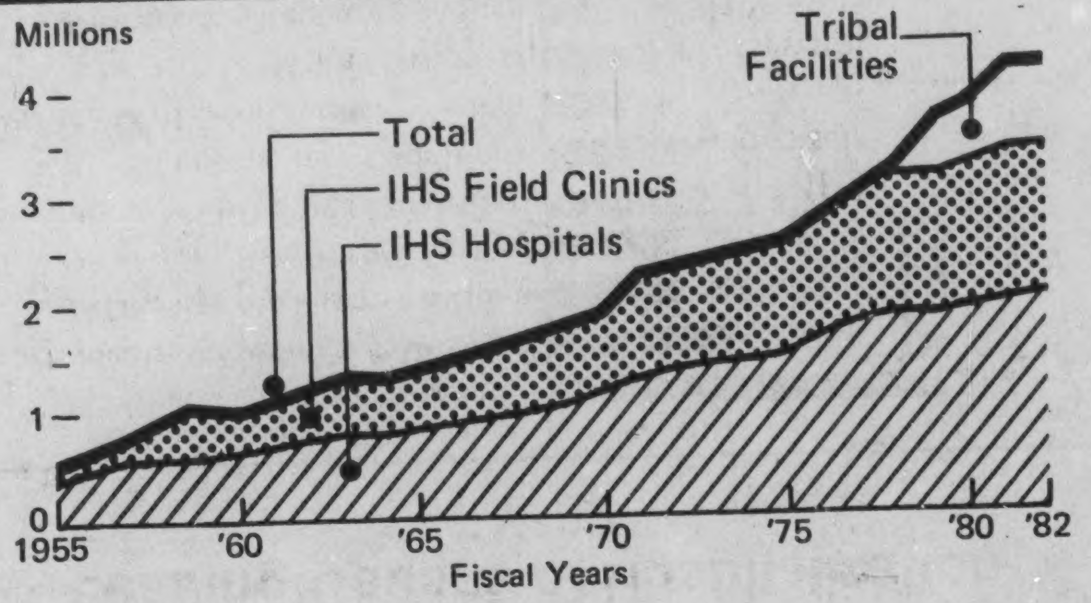


Average Daily Hospital Patient Load

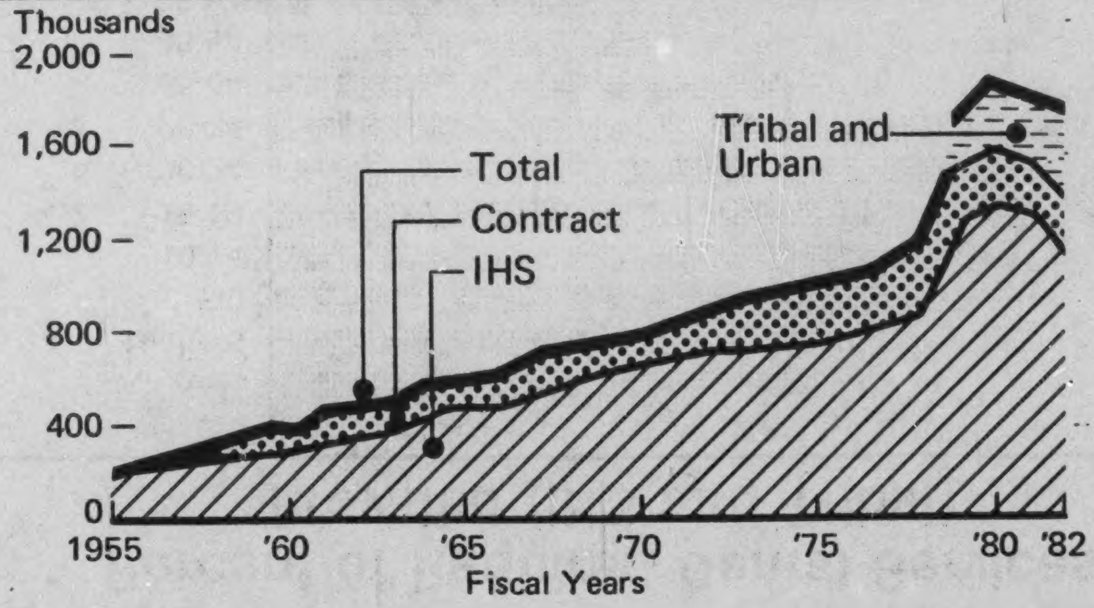
Leading Causes of Hospitalization
FY '82



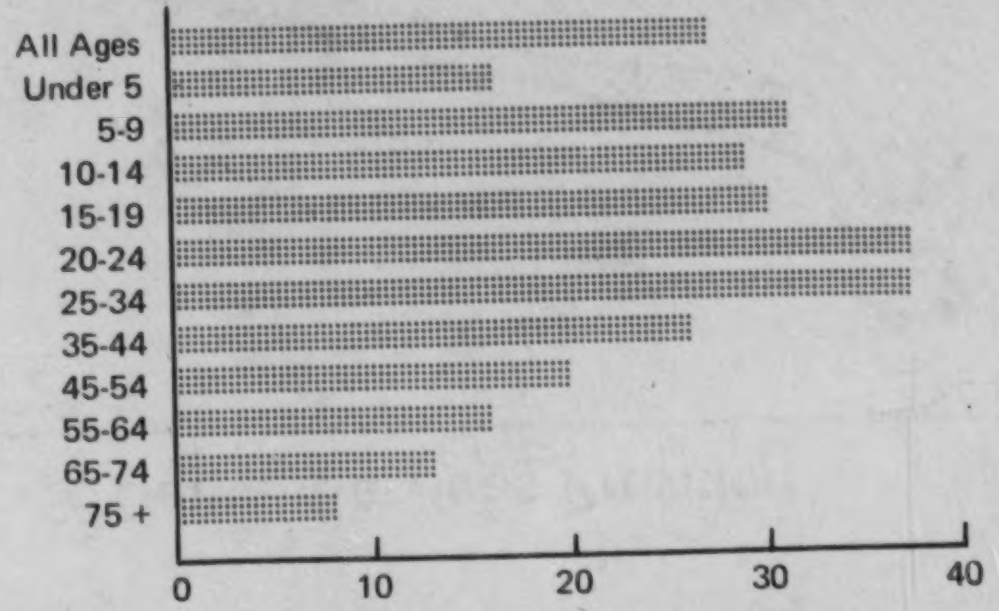
Number of Indian and Alaska Native Outpatient Visits



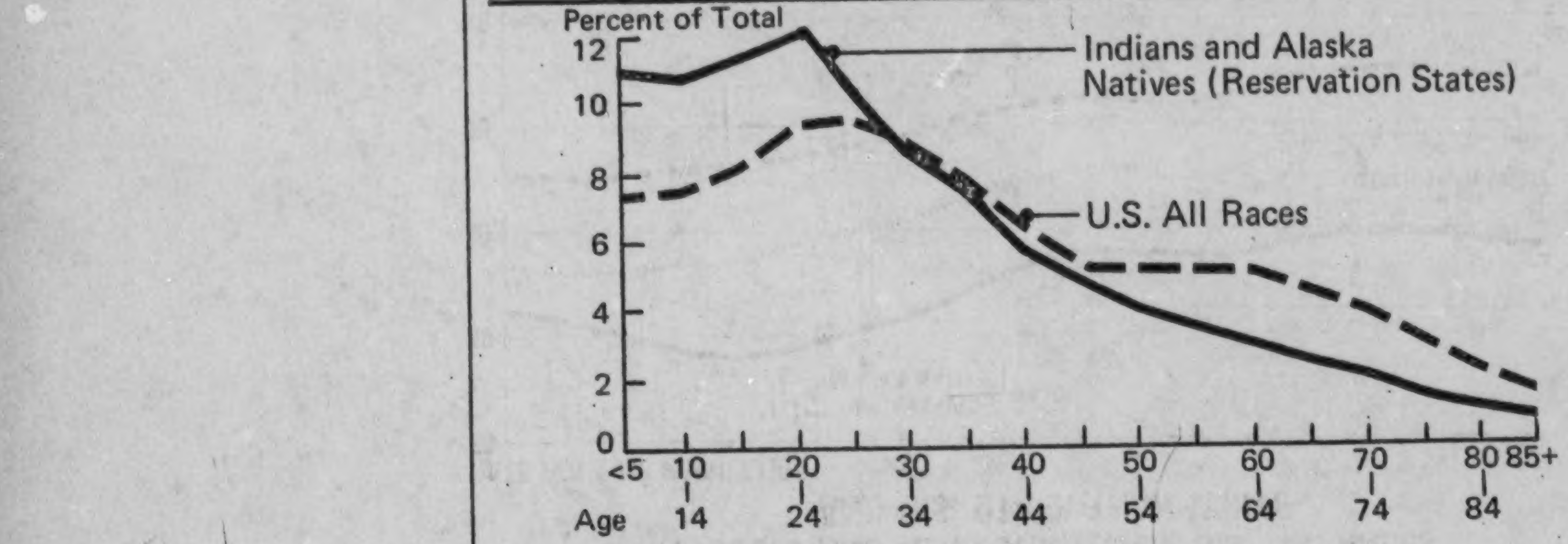
Dental Services Provided



Percent of Required Dental Services Provided (IHS and Tribal)

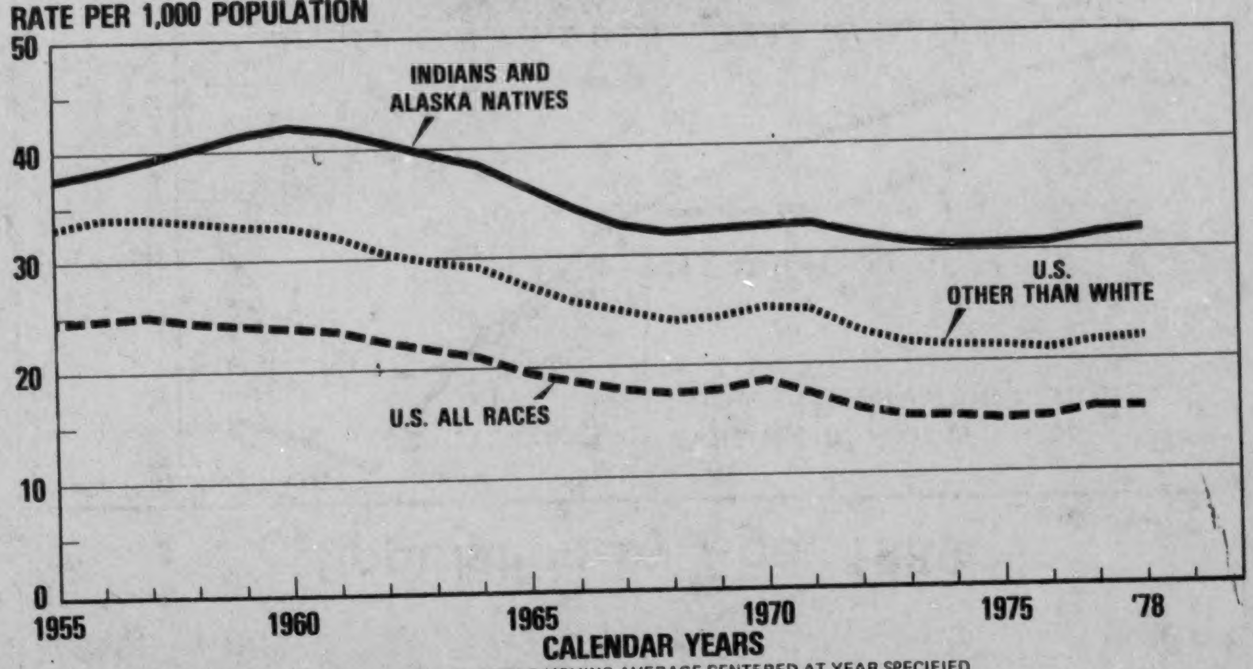


Population by Age, 1980



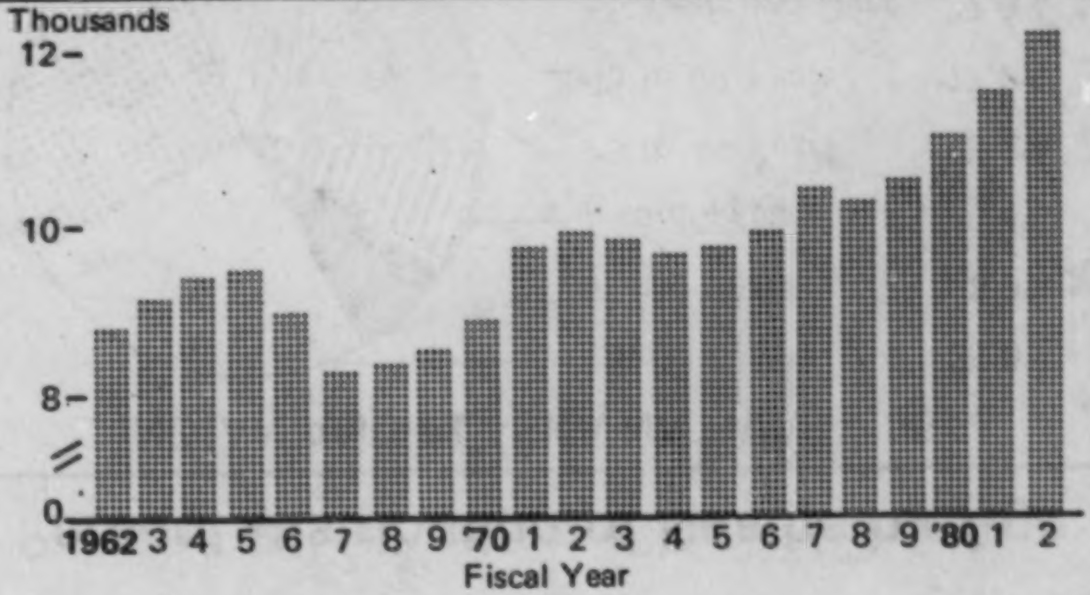
BIRTH RATES

INDIANS AND ALASKA NATIVES, U.S. ALL RACES AND U.S. OTHER THAN WHITE



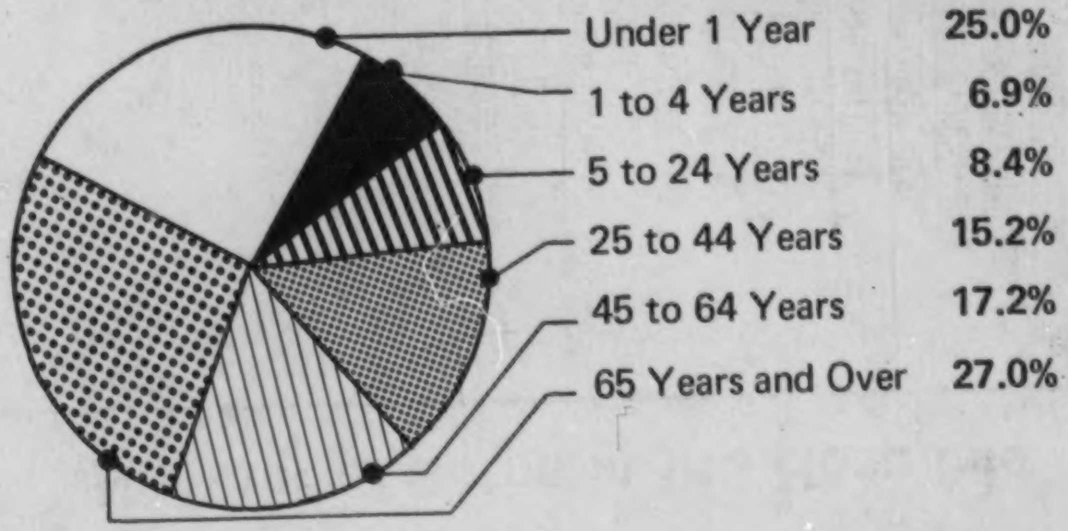
INDIANS AND ALASKA NATIVE RATES ARE BASED ON 3-YEAR MOVING AVERAGE CENTERED AT YEAR SPECIFIED (E.G. 1978 AVERAGE = BIRTHS IN 1977 - 1979).
U.S. RATES ARE SINGLE YEAR.

Number of Births in IHS Hospitals



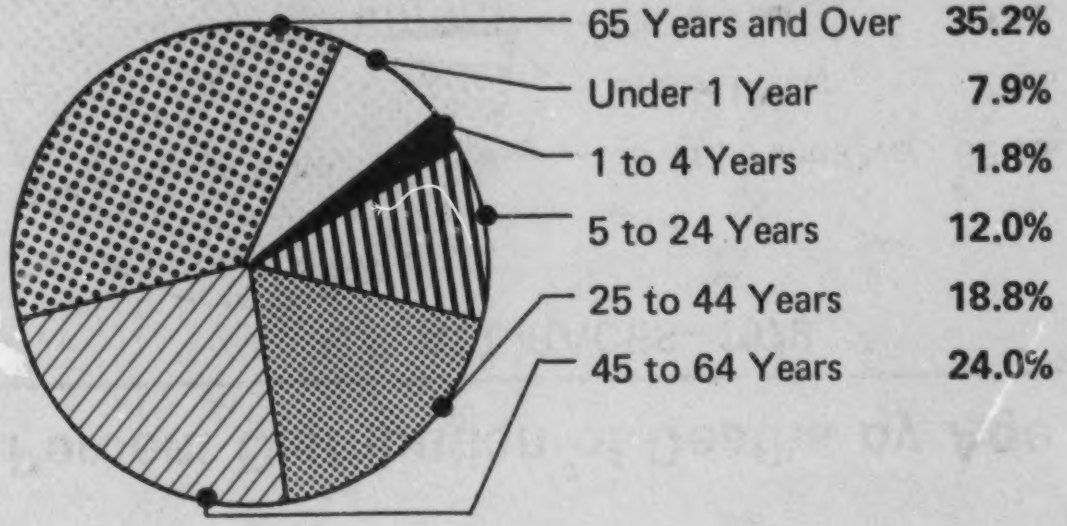
Percent Distribution of Deaths by Age

INDIAN AND ALASKA NATIVES—1955



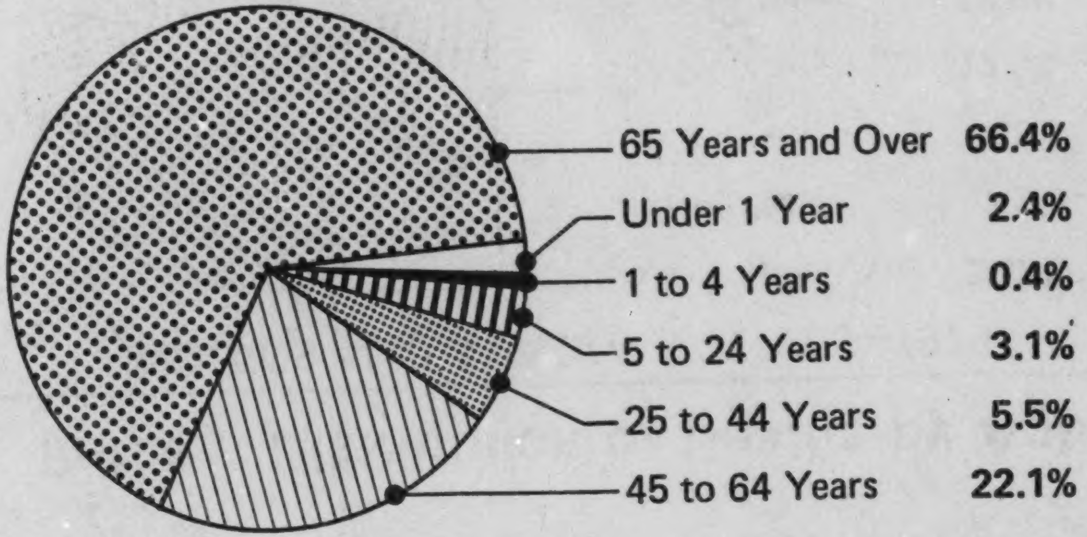
Percent Distribution of Deaths by Age

INDIANS AND ALASKA NATIVES—1979



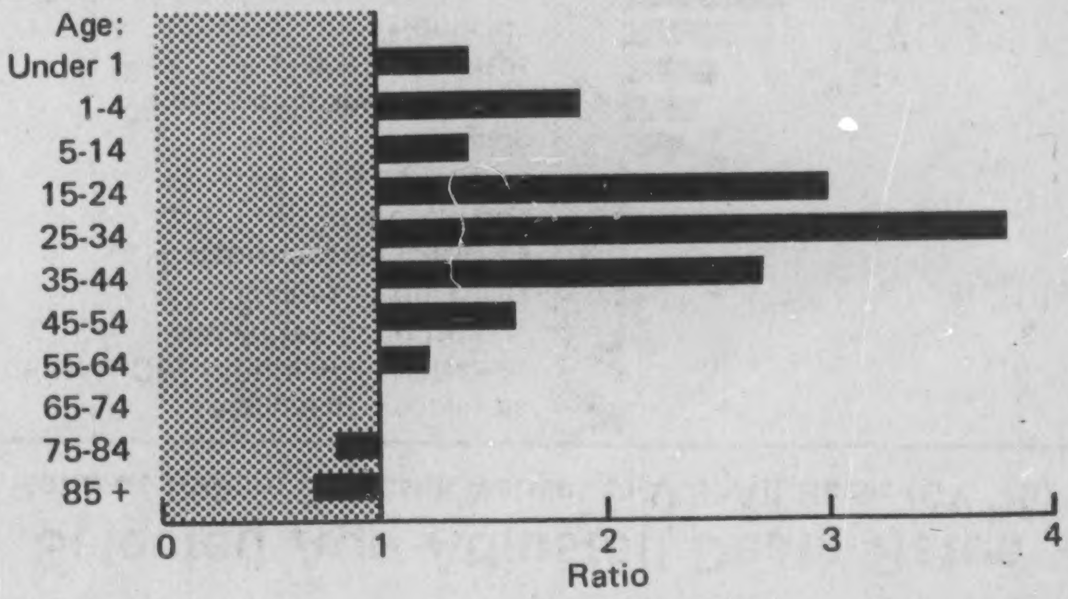
Percent Distribution of Deaths by Age

U.S. ALL RACES—1979



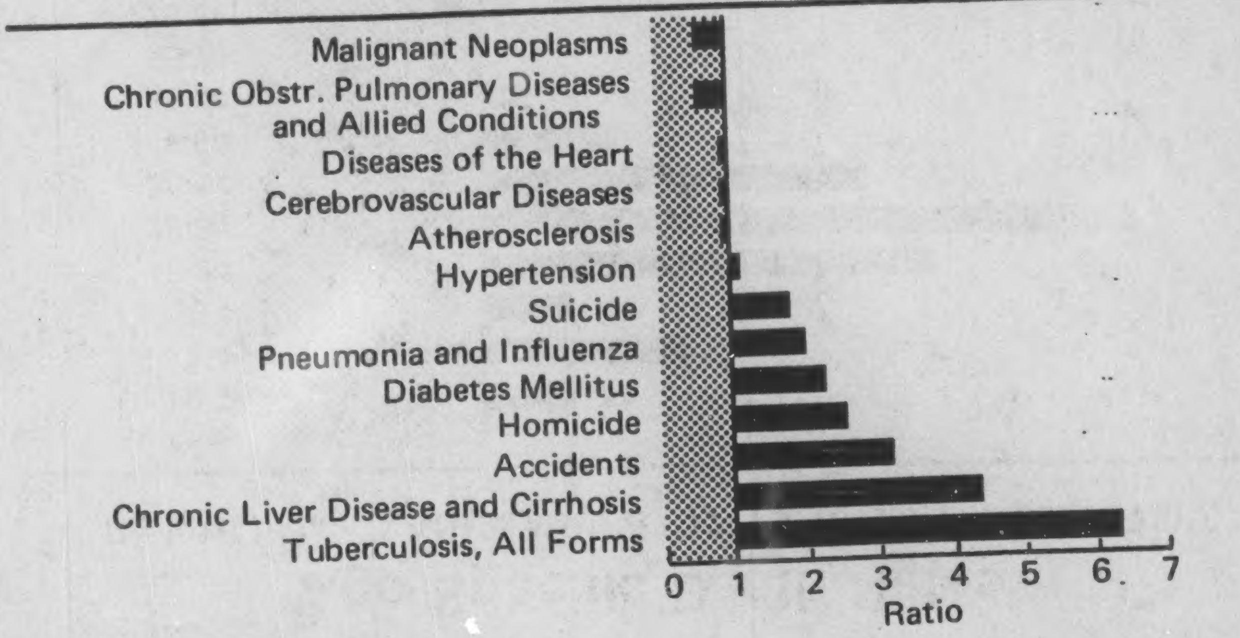
Age-Specific Death Rates

Ratio of Indian & Alaska Natives ('77-'79) to U.S. All Races ('78)

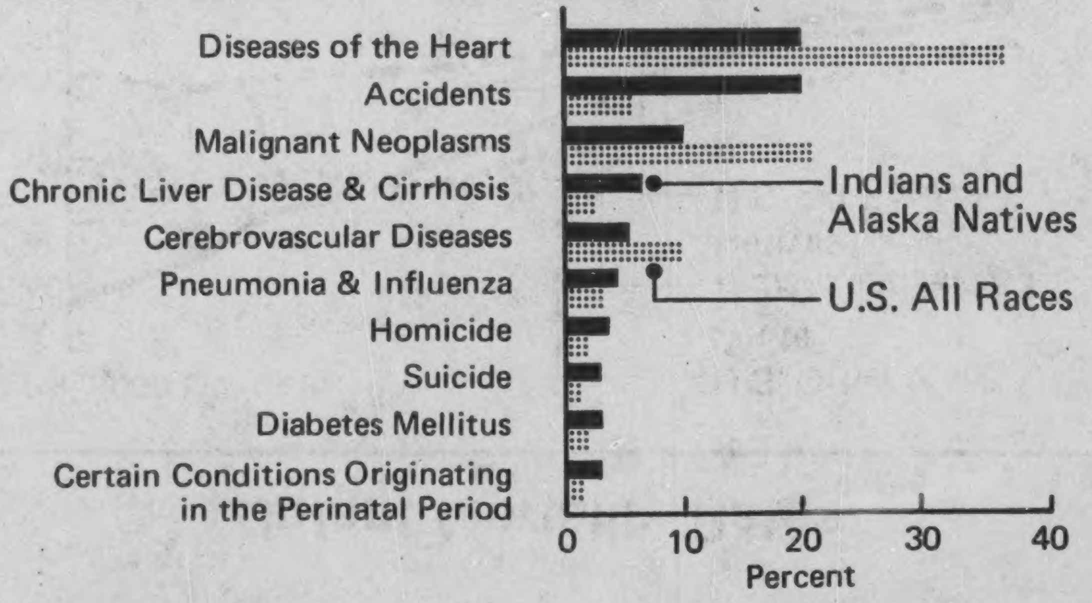


Selected Age-Adjusted Death Rates

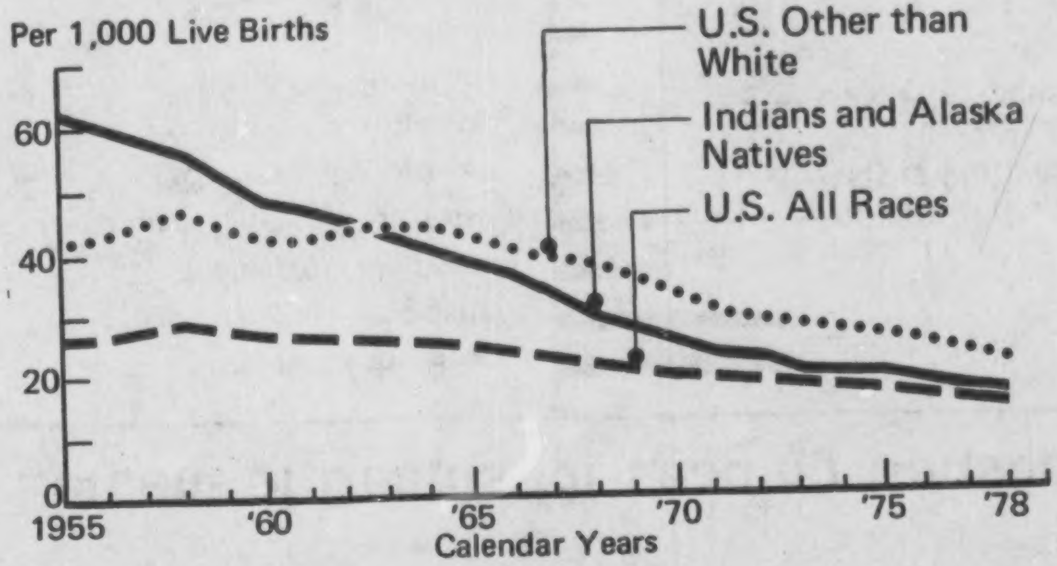
Ratio of Indians & Alaska Natives to U.S. All Races (CY '79)



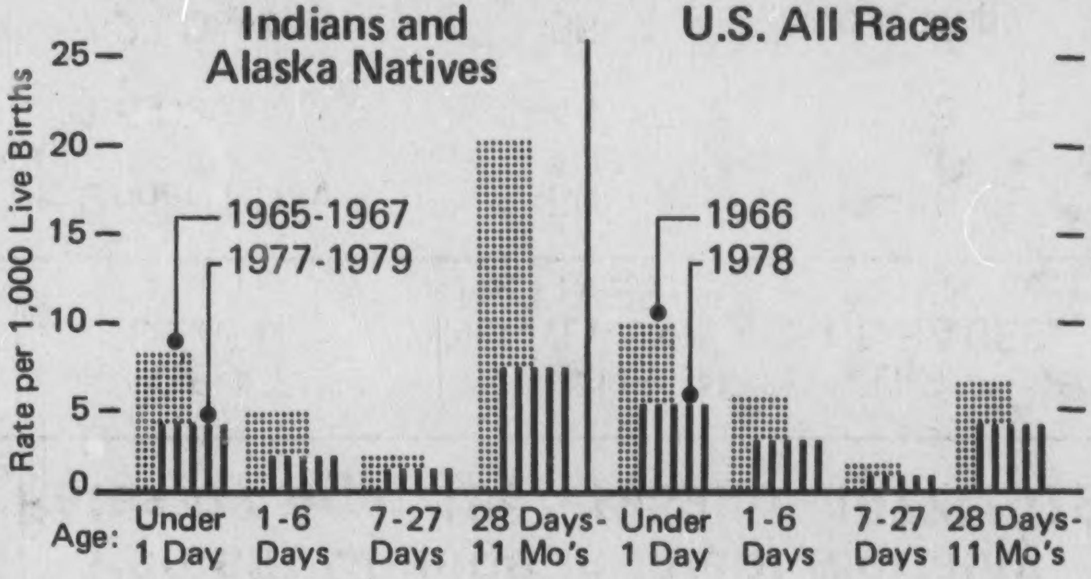
Percent of Deaths for Leading Causes



Infant Mortality Rates



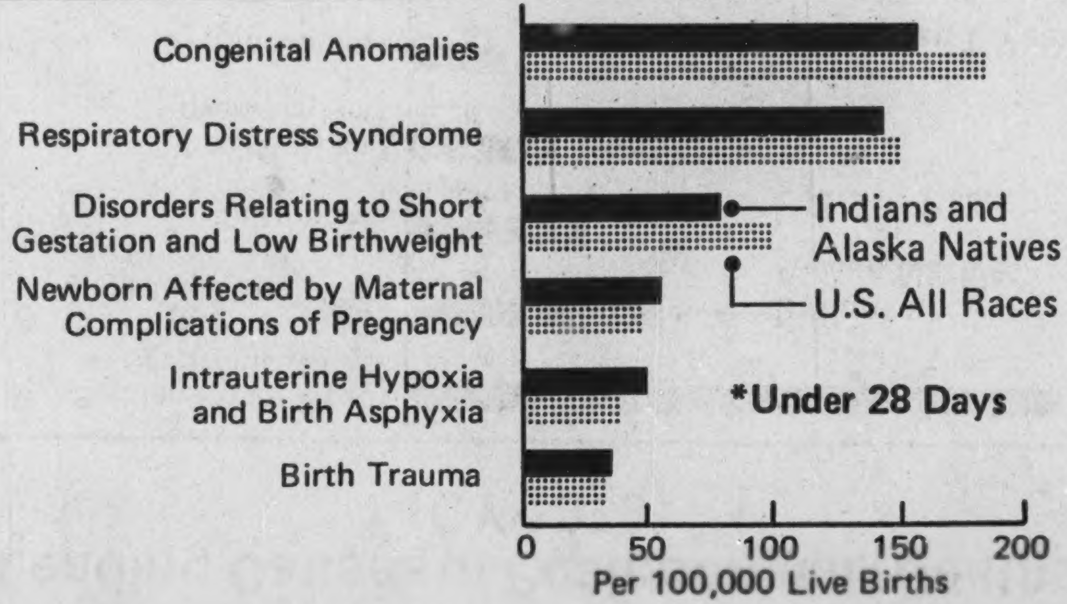
Infant Mortality Rates by Age



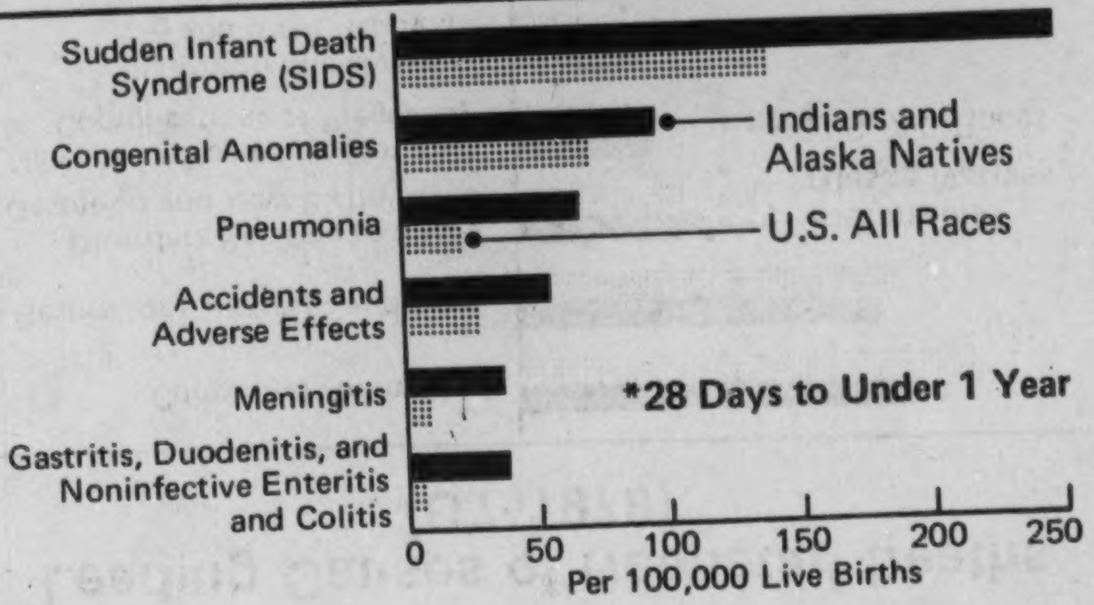
Percent Change in Infant Mortality Rates by Age, 1967-1969 to 1977-1979

AGE AT DEATH	INDIANS AND ALASKA NATIVES	U.S. ALL RACES
Under 1 Day	−50	−46
1-6 Days	−44	−43
7-27 Days	−35	No Change
28 Days-11 Months	−52	−25

Leading Causes of Neonatal* Deaths
(CY 1979)

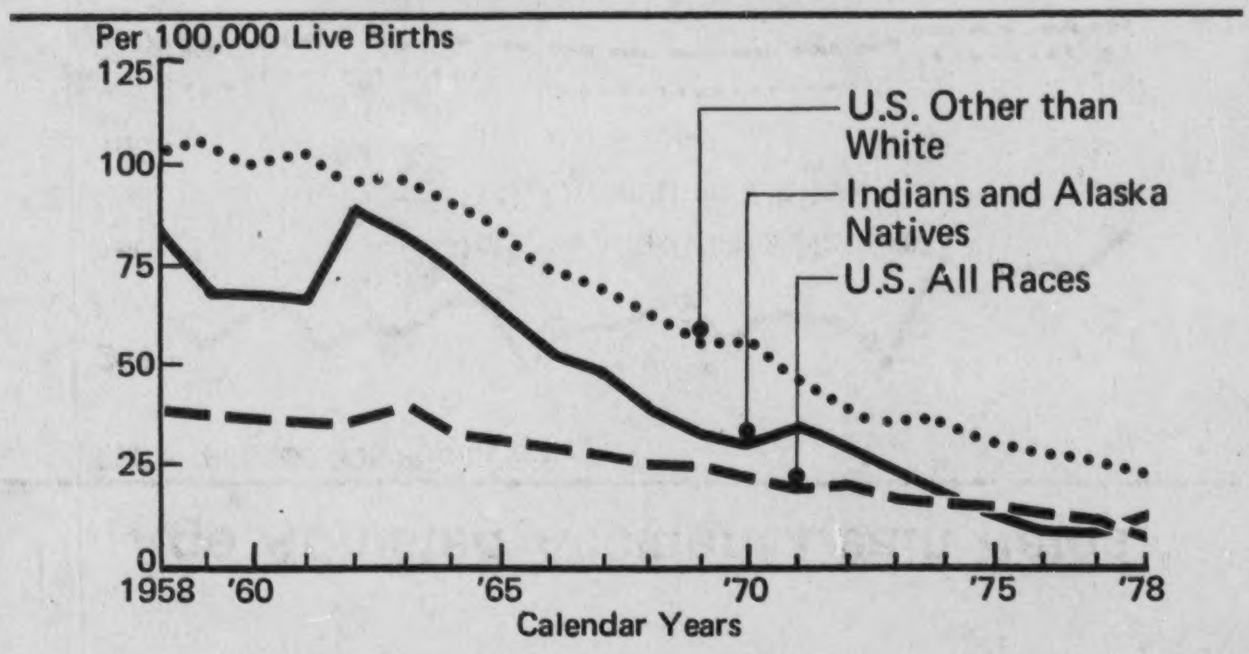


Leading Causes of Postneonatal* Deaths (CY 1979)

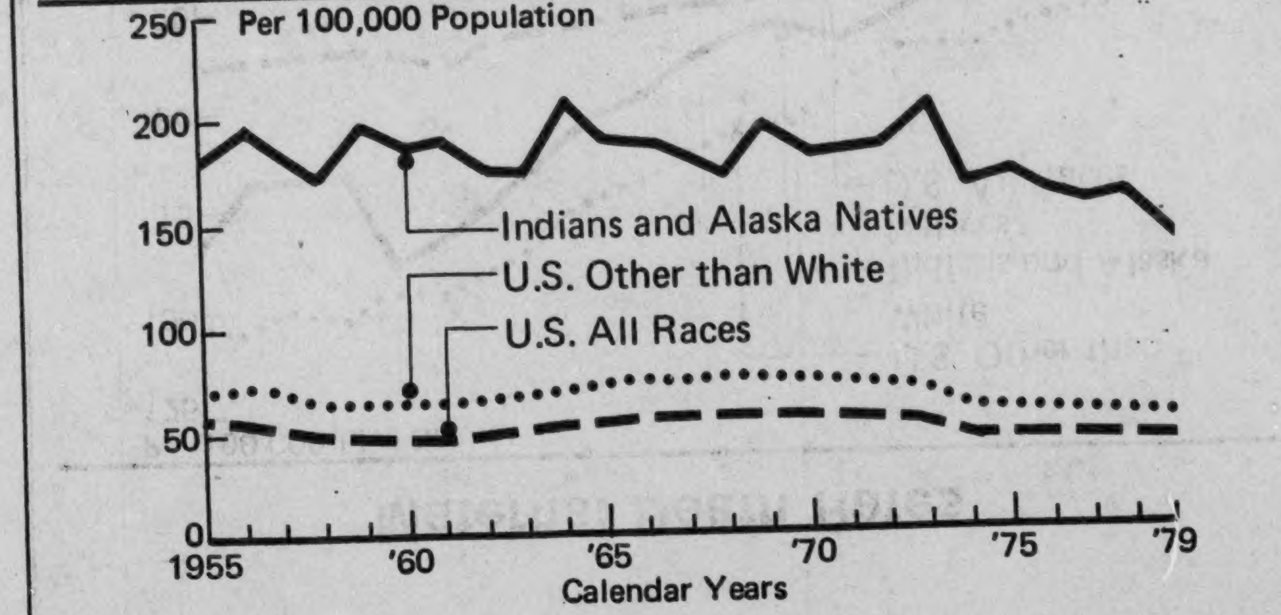


*28 Days to Under 1 Year

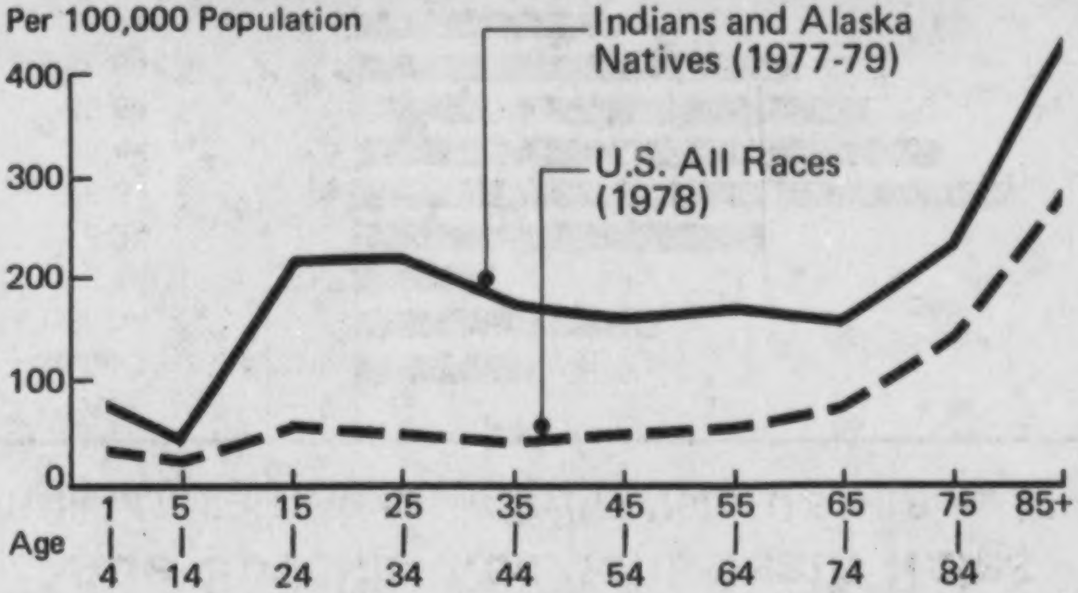
Maternal Death Rates



Age Adjusted Accident Death Rates

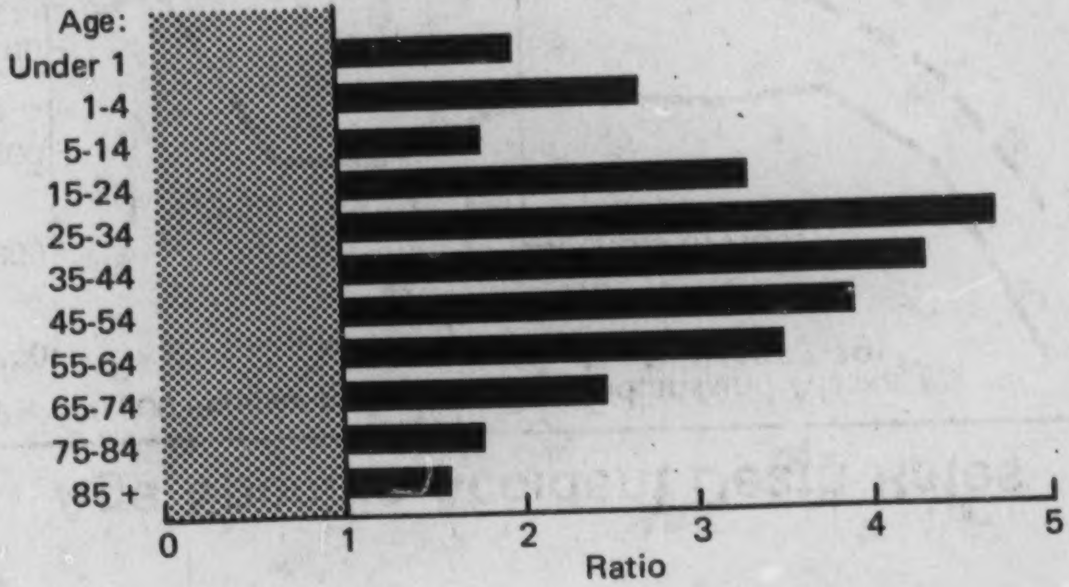


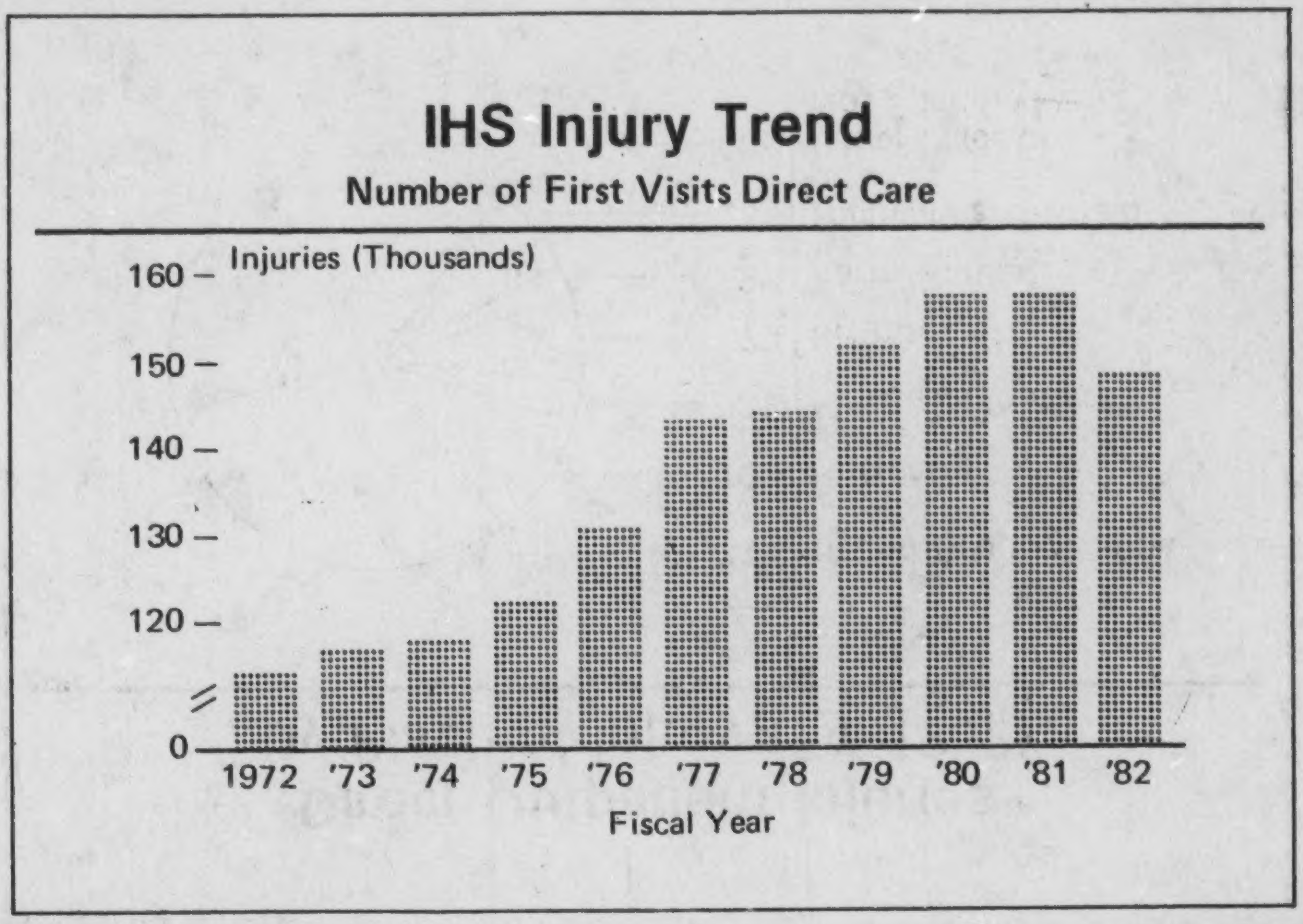
Age Specific Accident Death Rates



Age-Specific Accident Death Rates

Ratio of Indian & Alaska Natives ('77-'79) to U.S. All Races ('78)

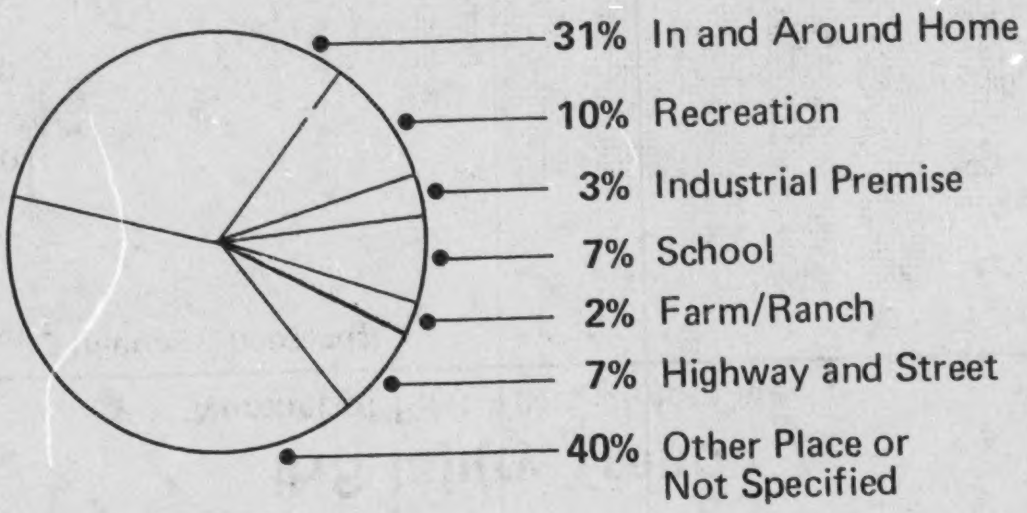




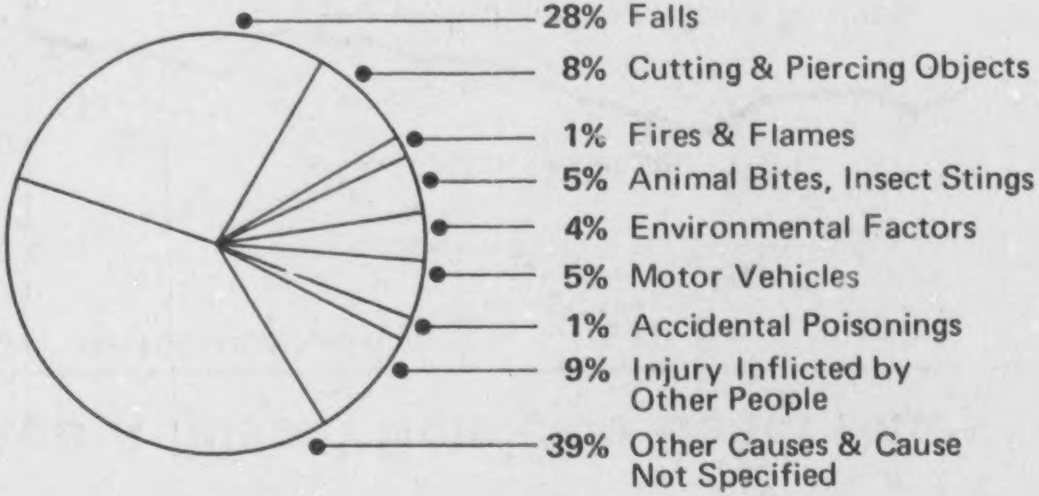
IHS Injury Trend

Number of First Visits Direct Care

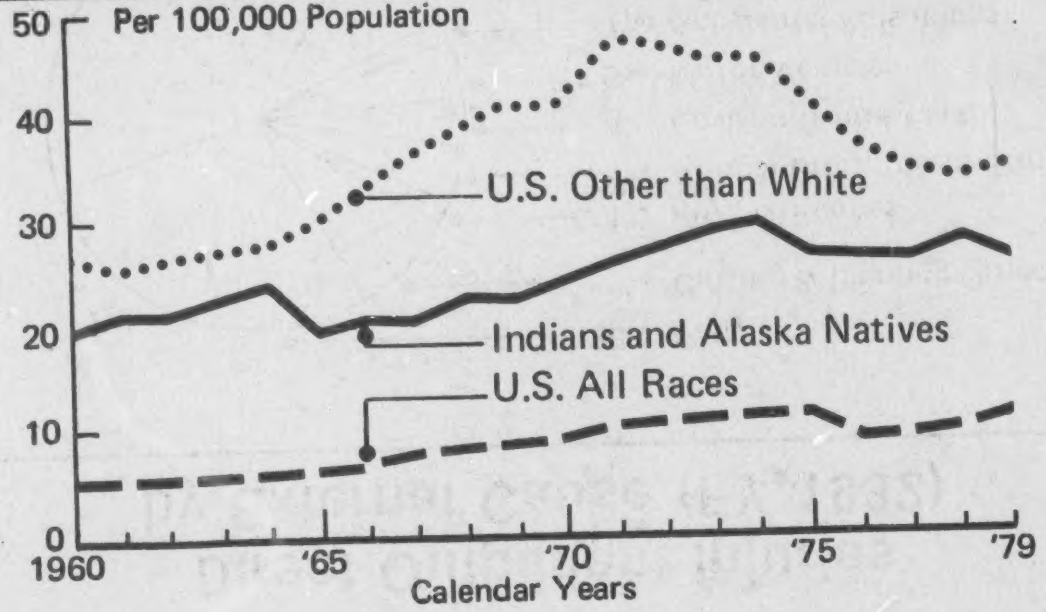
Direct Outpatient Injuries by Place of Injury (FY 1982)



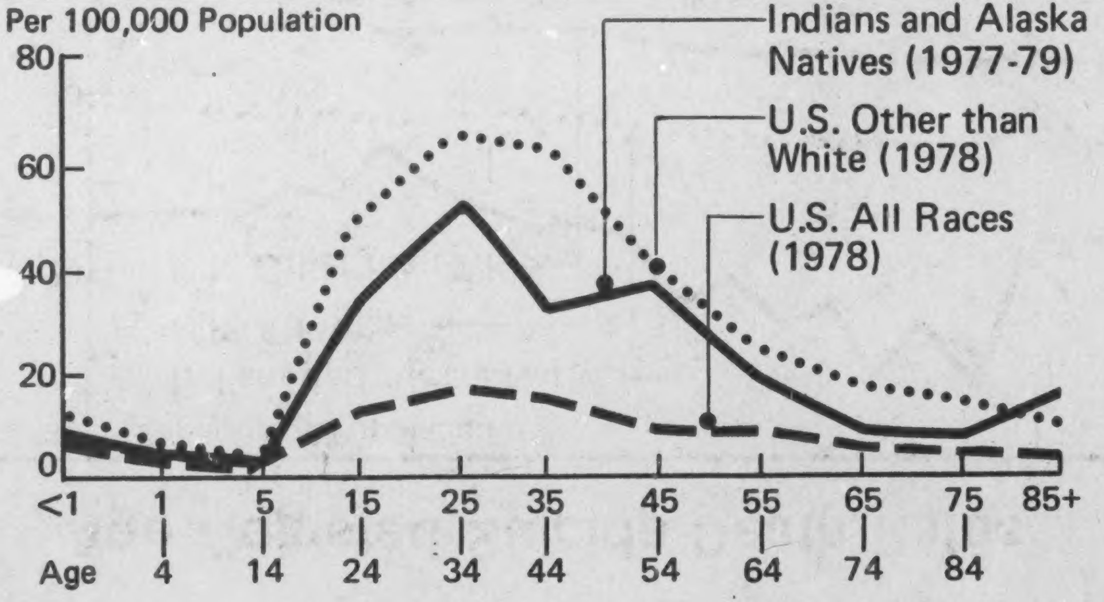
Direct Outpatient Injuries by External Cause (FY 1982)



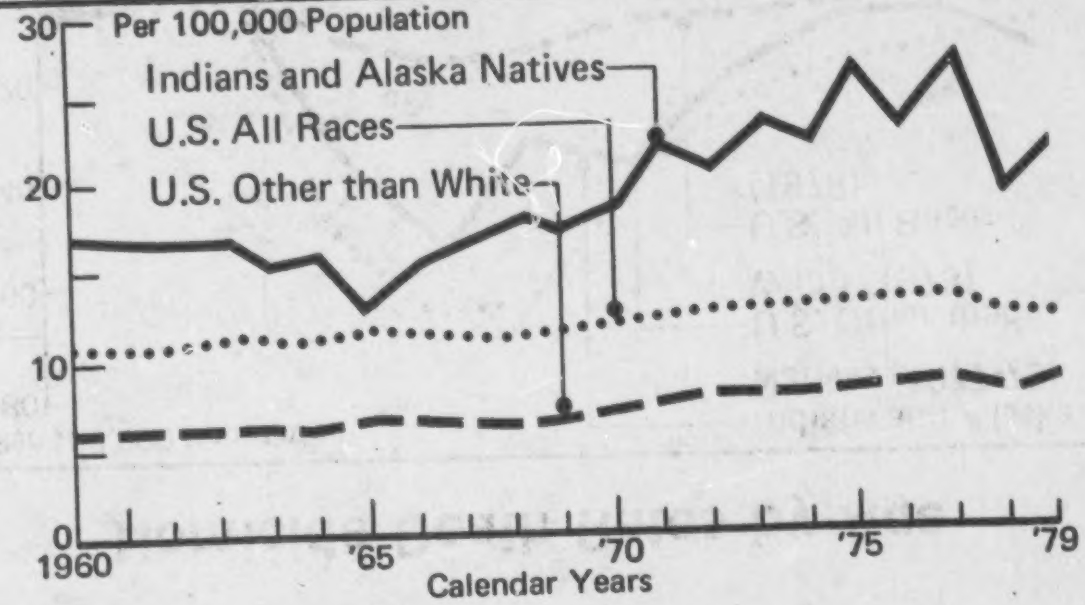
Age Adjusted Homicide Death Rates

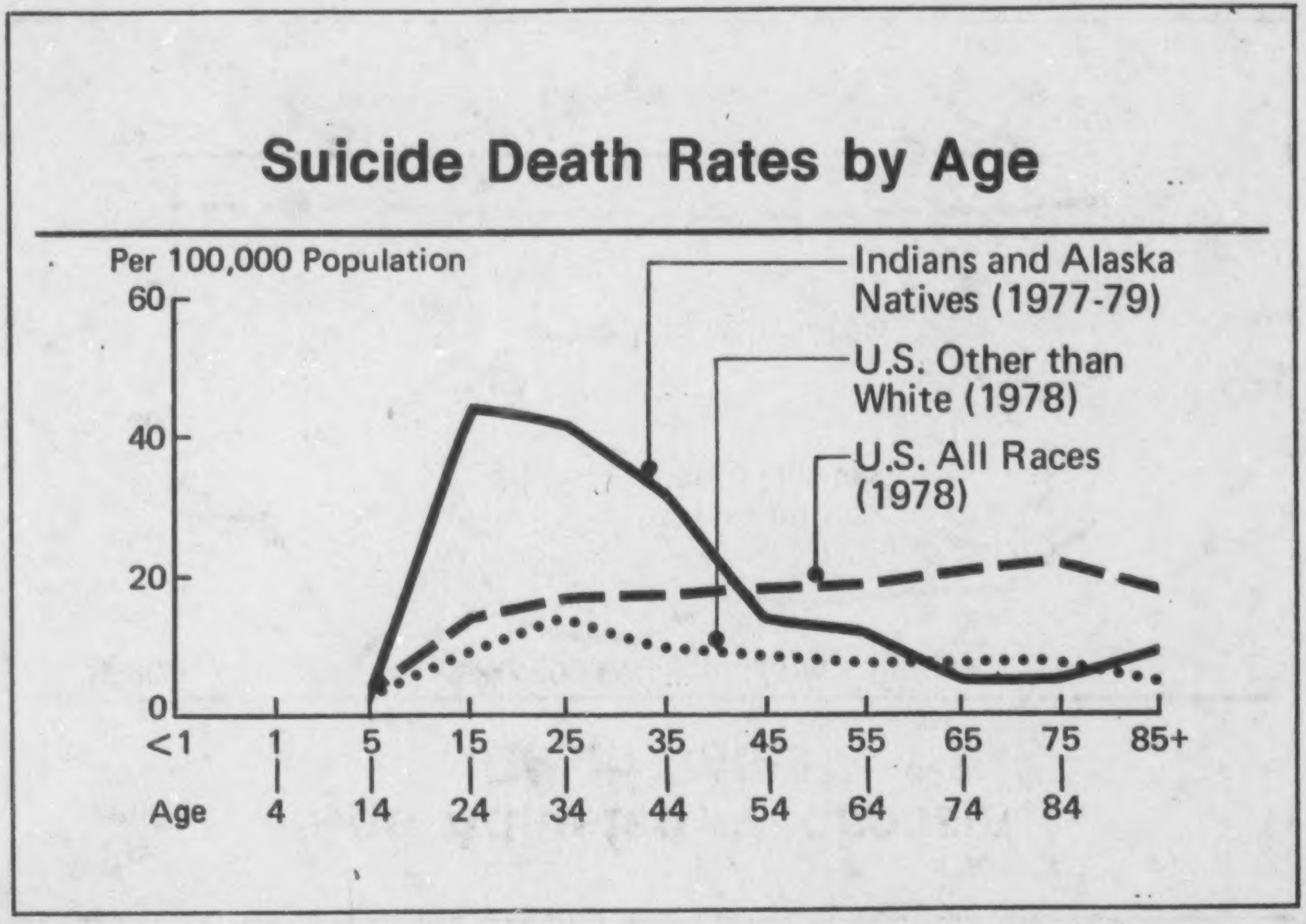


Homicide Death Rates by Age



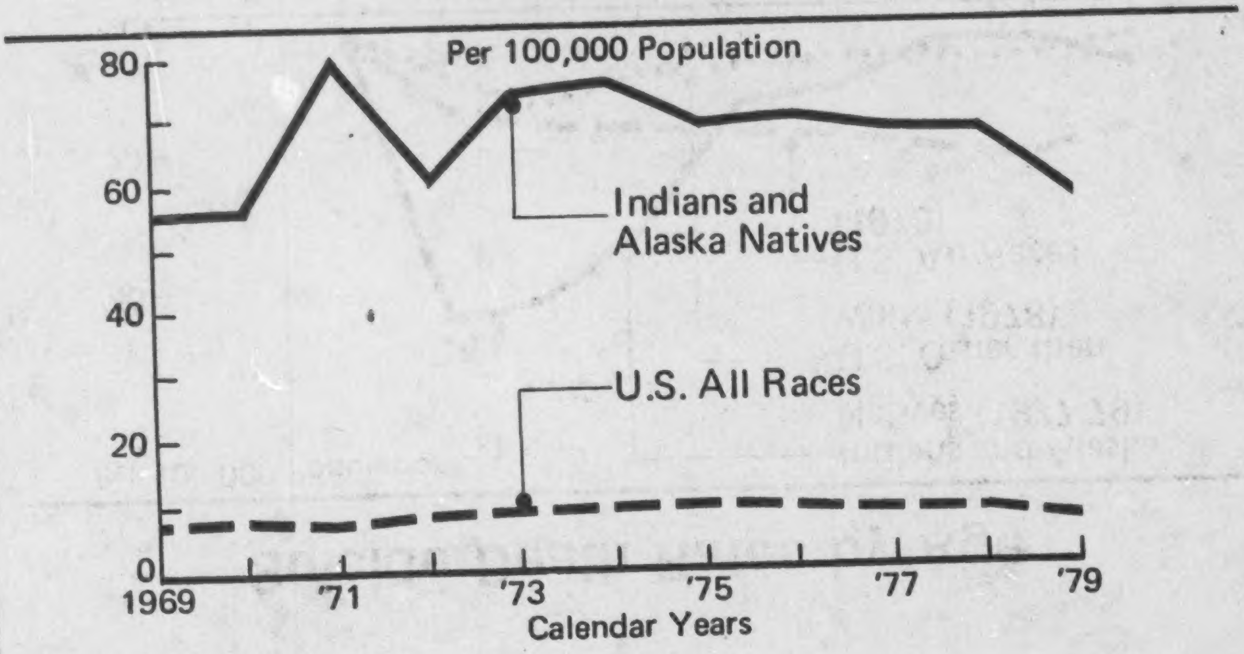
Age Adjusted Suicide Death Rates



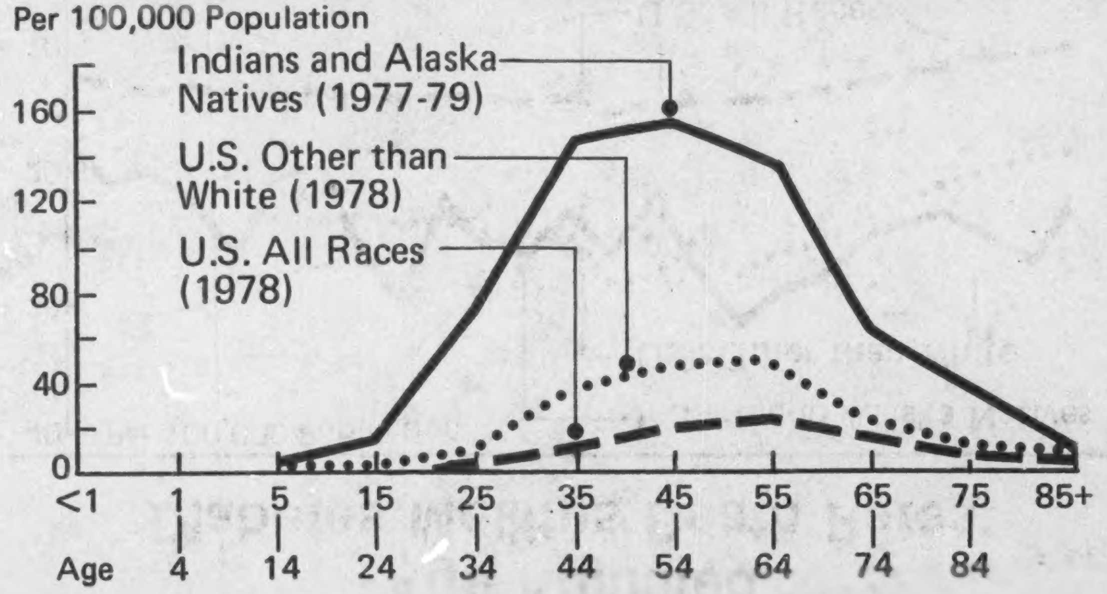


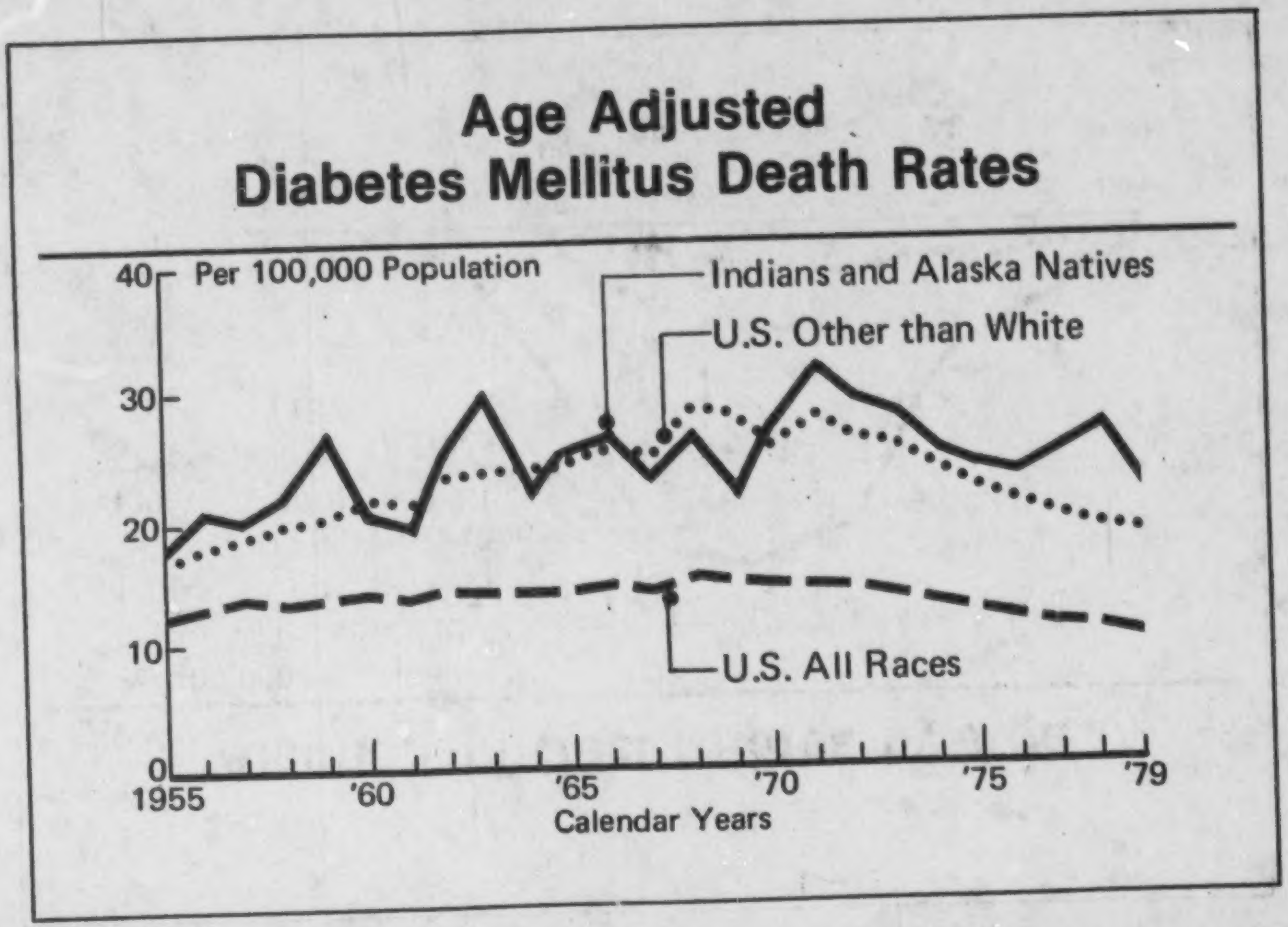
Suicide Death Rates by Age

Age Adjusted Alcoholism Death Rates



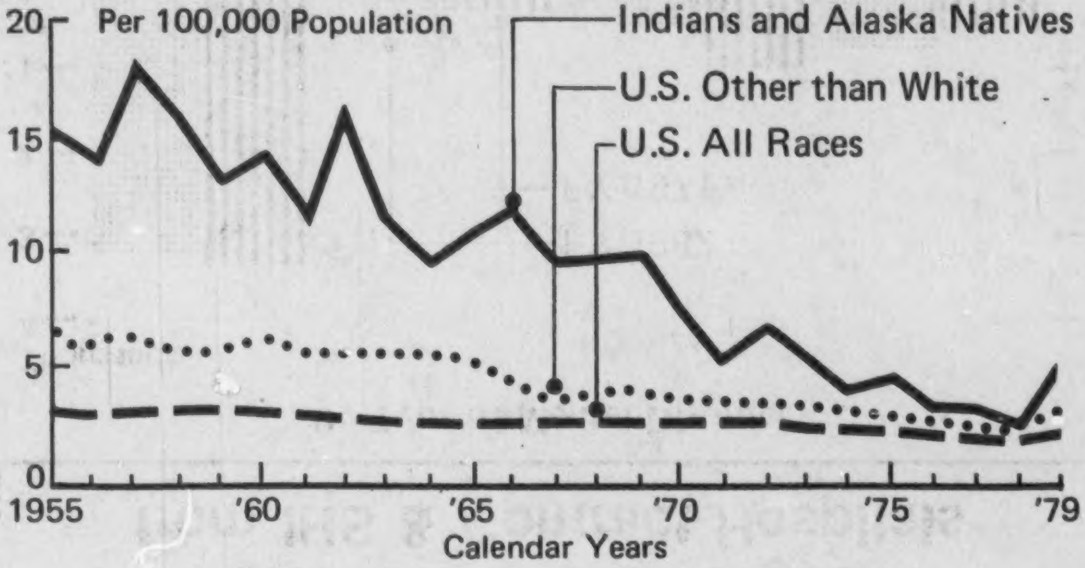
Alcoholism Death Rates by Age





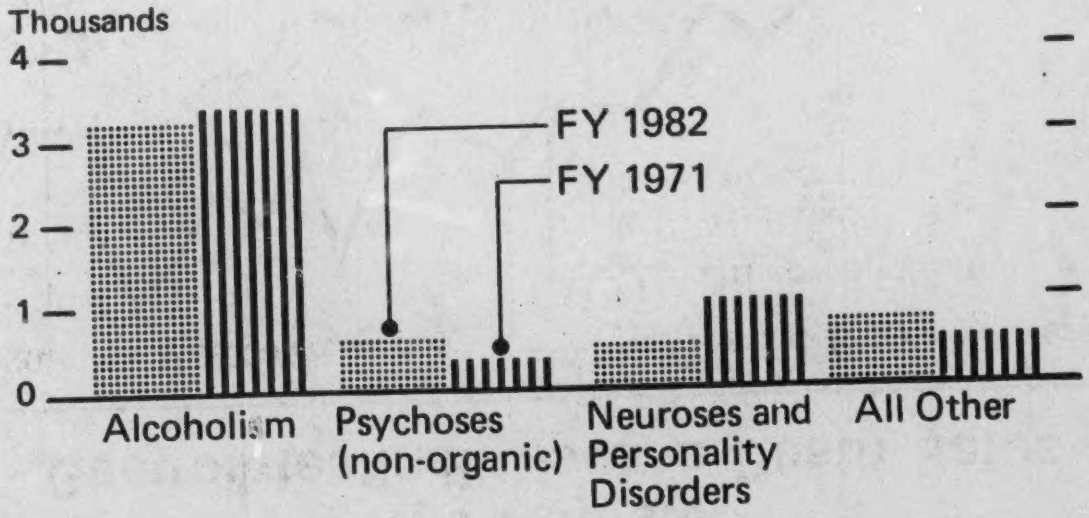
Age Adjusted
Diabetes Mellitus Death Rates

Age Adjusted Gastrointestinal Disease Death Rates

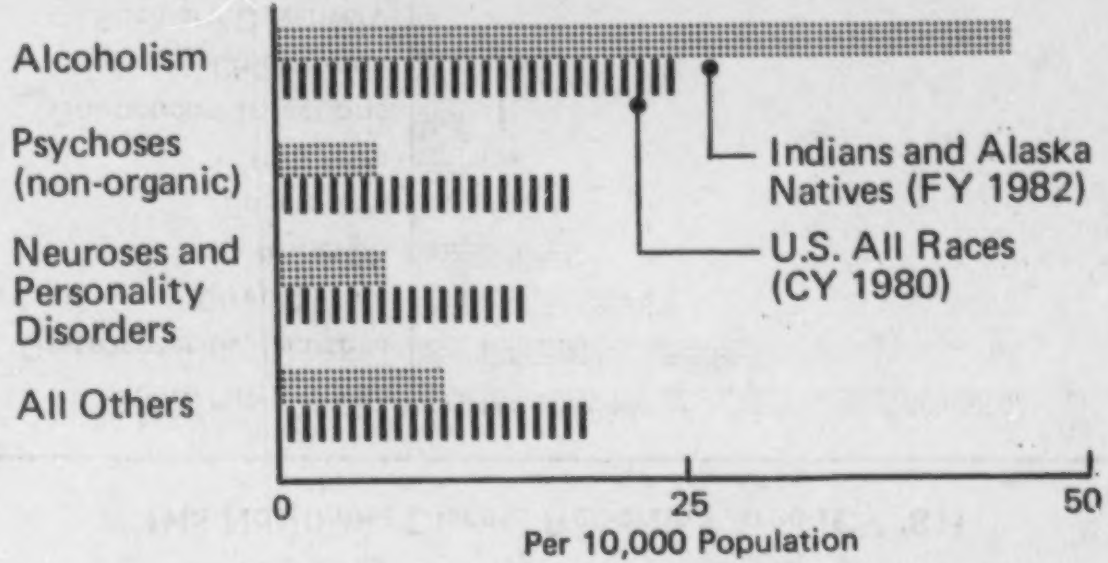


Number of Discharges from IHS & Contract Hospitals

By Type of Mental Disorder

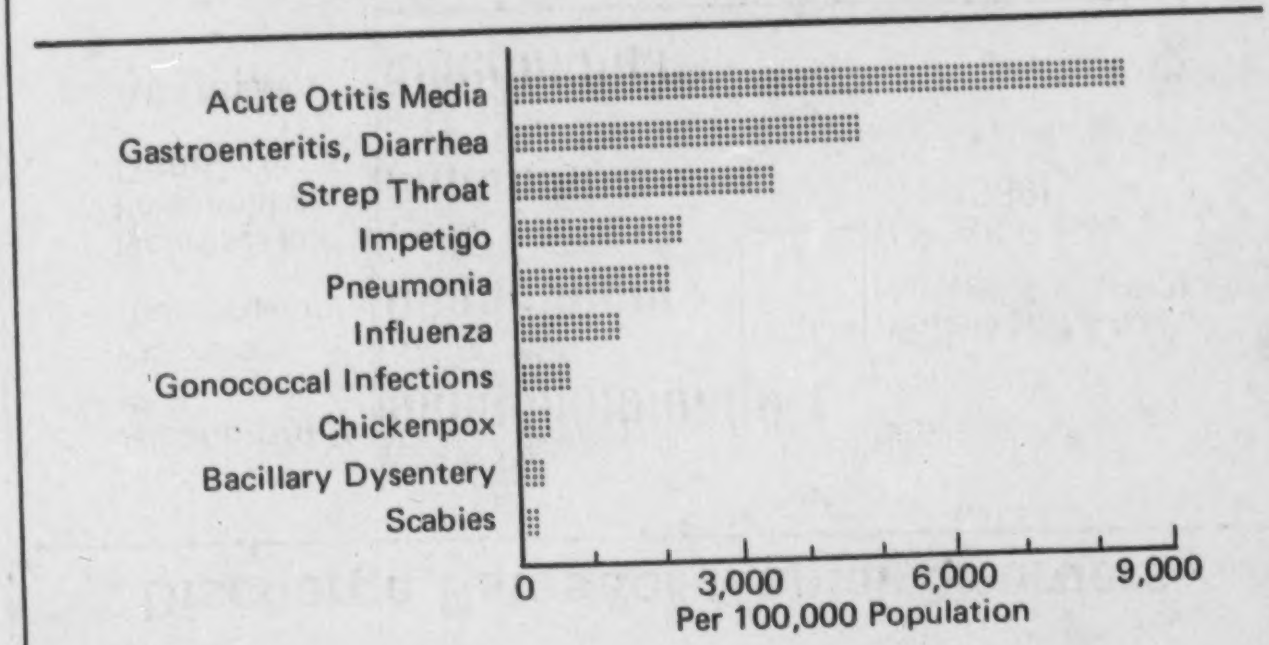


Discharge Rates for Mental Disorders

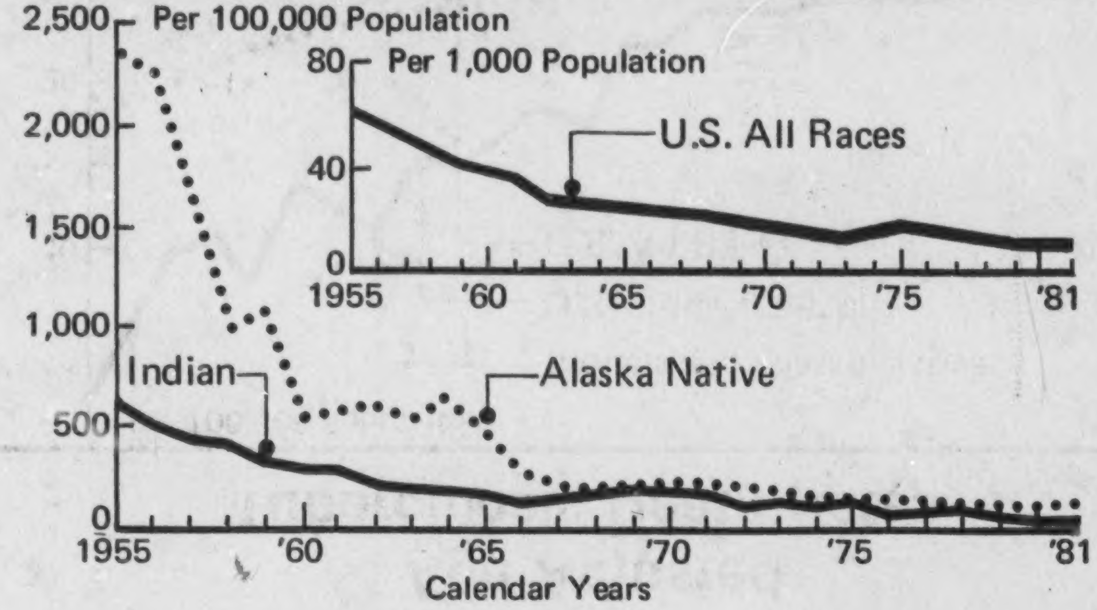


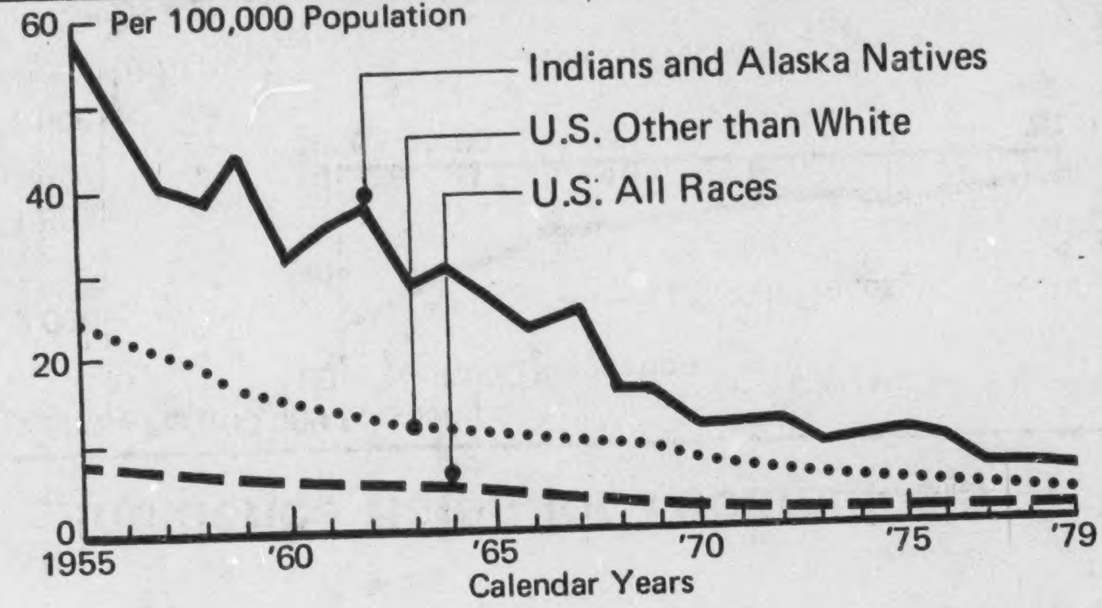
Leading Notifiable Diseases

IHS Notifiable Disease Reporting Area (CY '81)



Incidence Rates for Tuberculosis

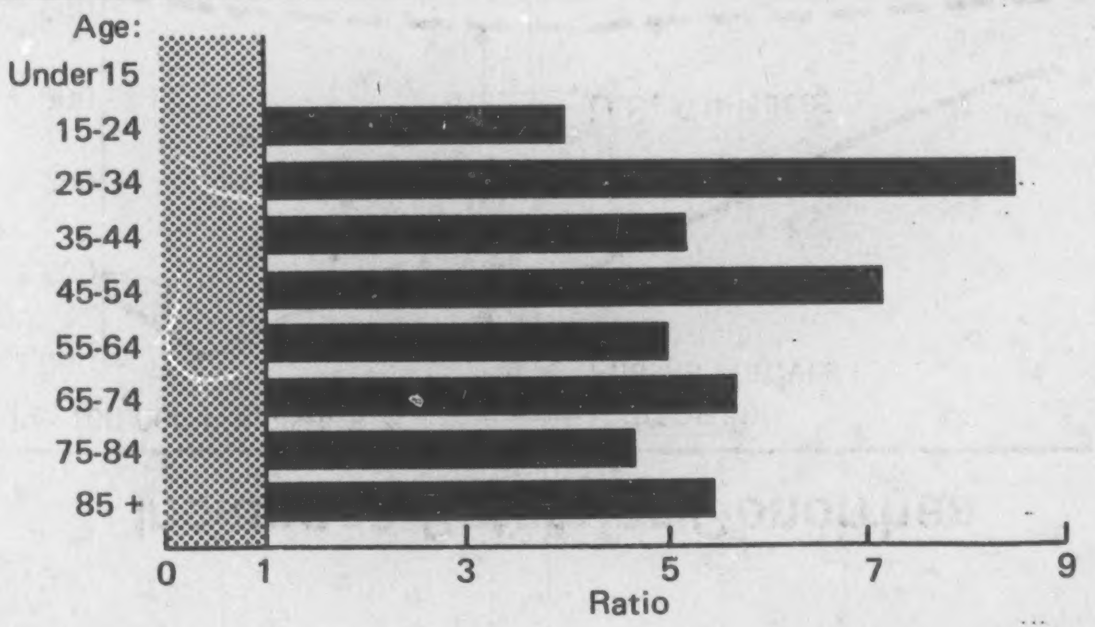




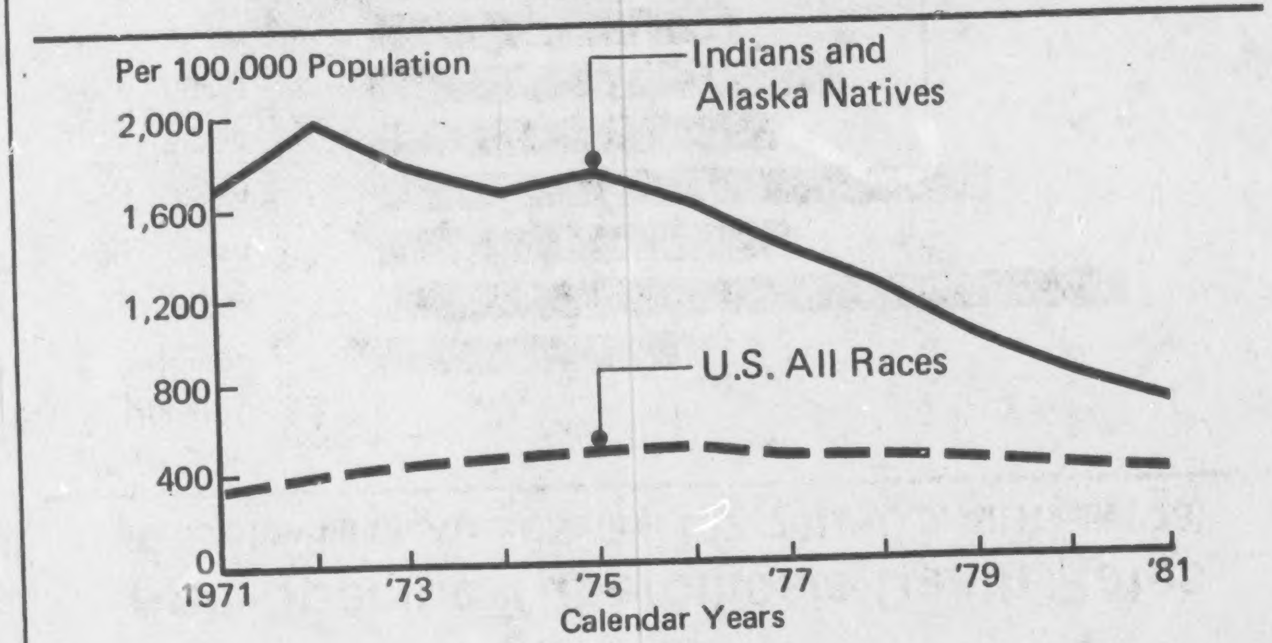
Age Adjusted Tuberculosis Death Rates

Age-Specific Tuberculosis Death Rates

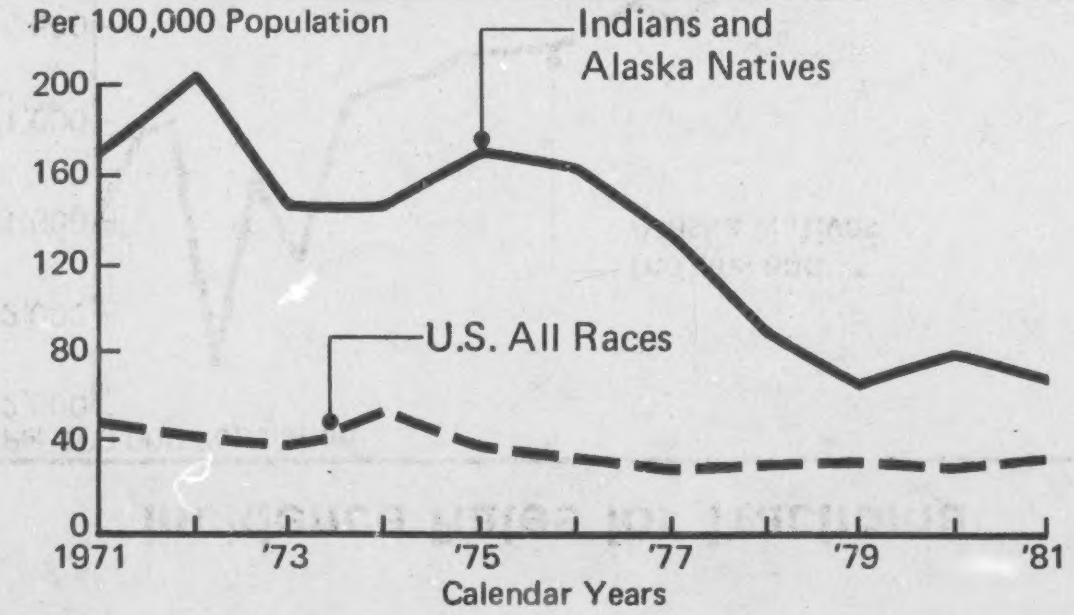
Ratio of Indian & Alaska Natives ('77-'79) to U.S. All Races ('78)

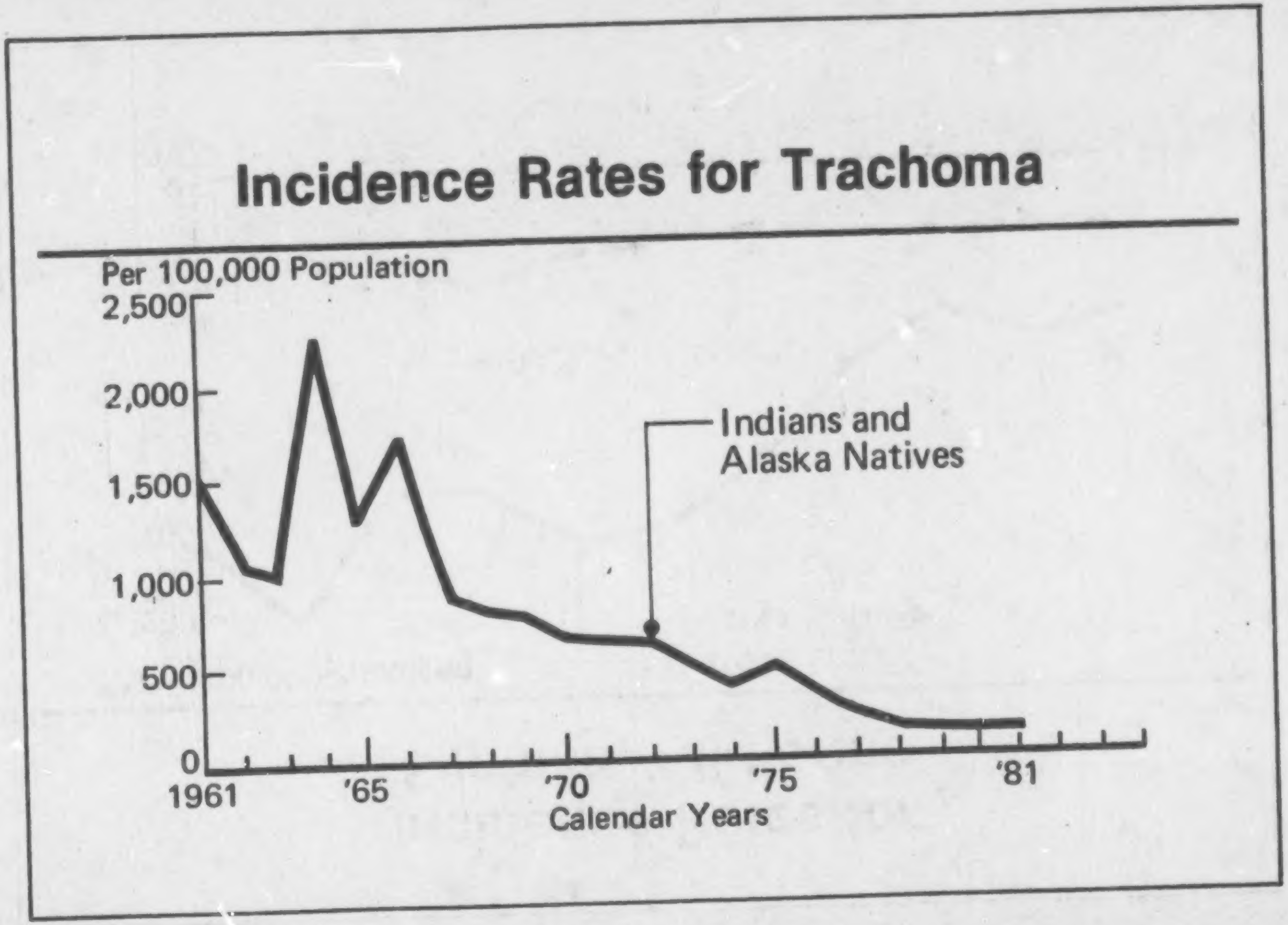


Incidence Rates for Gonorrhea



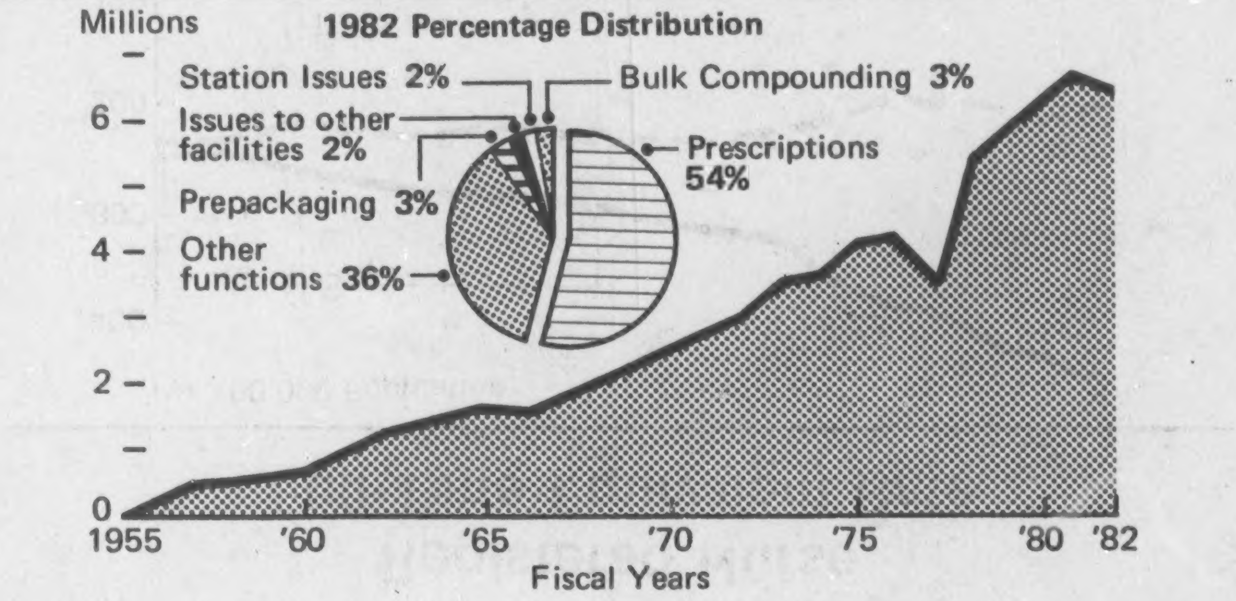
Incidence Rates for Syphilis, All Forms



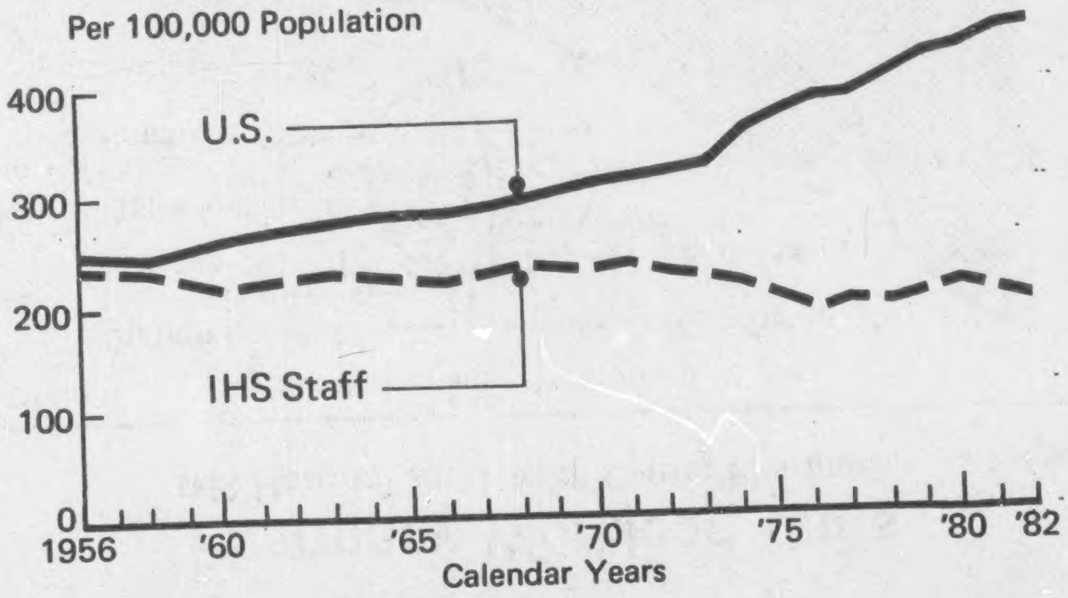

Incidence Rates for Trachoma
Per 100,000 Population
2,500
2,000
1,500
1,000
500
0
1961
'65
'70
'75
'81
Calendar Years
Indians and
Alaska Natives

Pharmacy Workload Units

IHS Hospital and Health Center Pharmacies

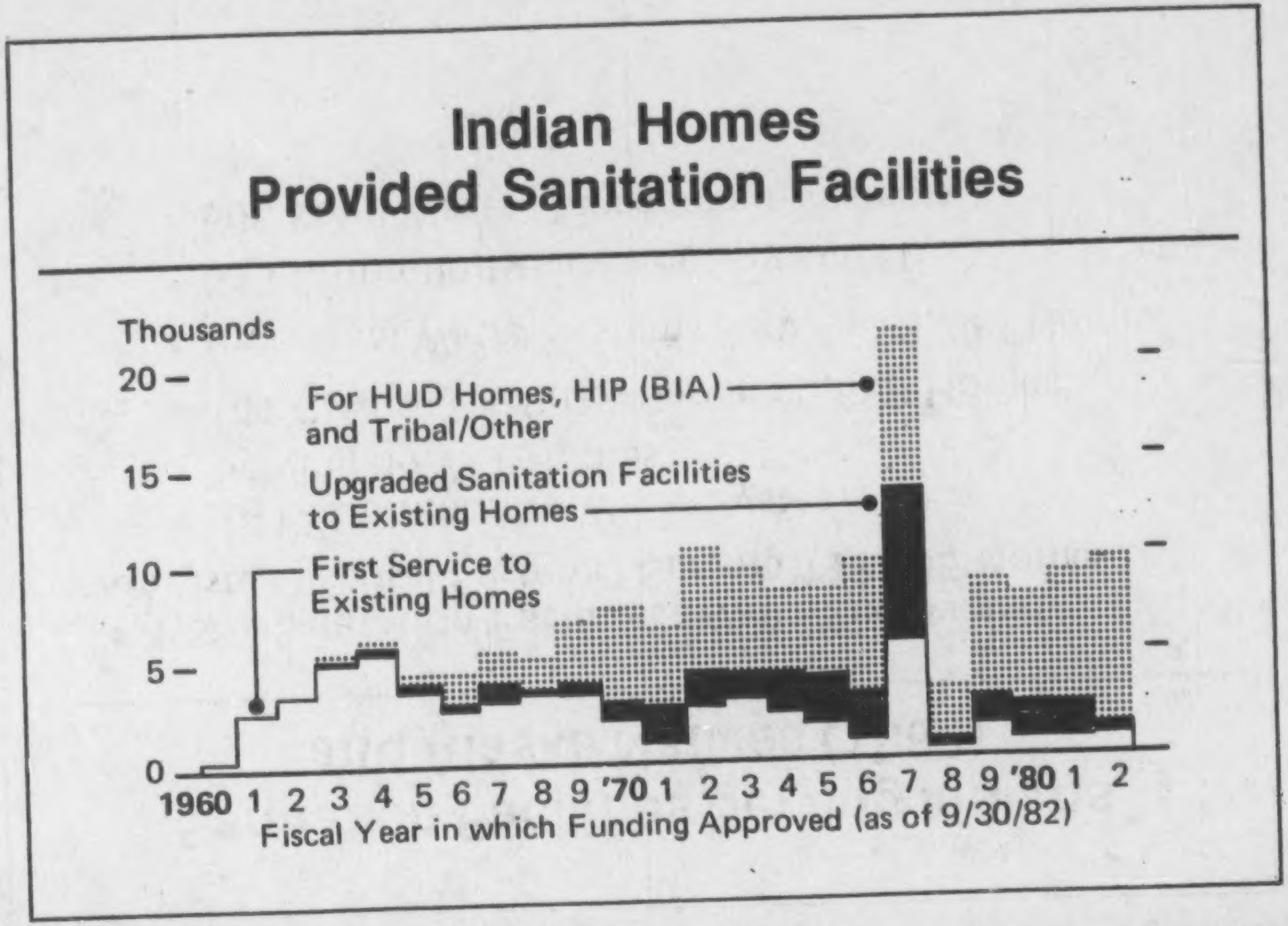


Registered Nurse Full-Time Equivalent Rate



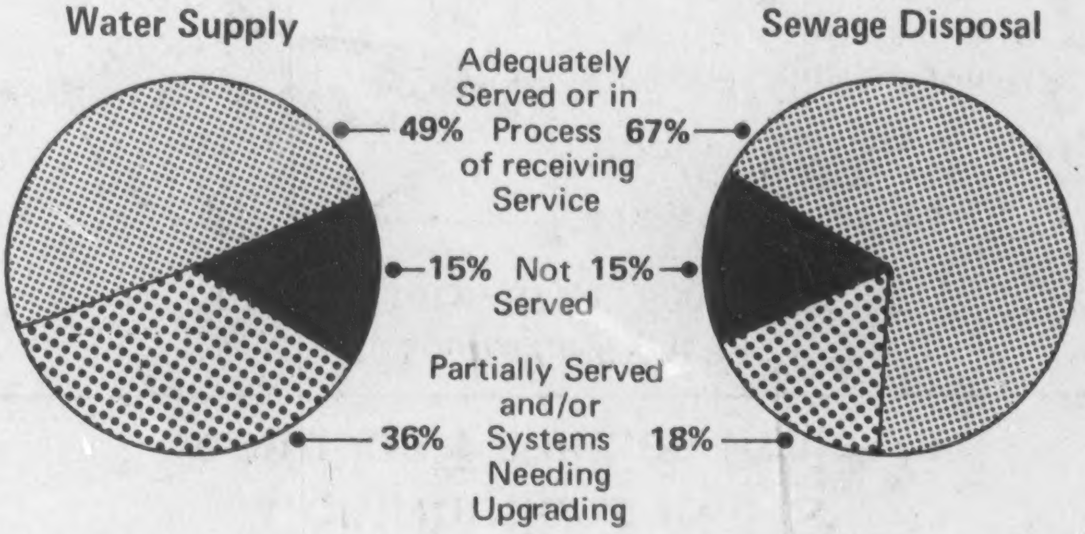
Sanitation Facilities Serving Indians and Alaska Natives (1982)

- 1,387 Sanitation Facilities (Water Supply and Waste Disposal Systems) Serving 113,595 Homes
  - 1417 Community Water Systems Serving 84,211 Homes
  - 141 Central Facilities Serving 5,658 Homes
  - Individual Water Systems Serving 23,726 Homes
  - 643 Community Sewerage Systems
  - 505 Solid Waste Management Systems



Indian Homes
Provided Sanitation Facilities

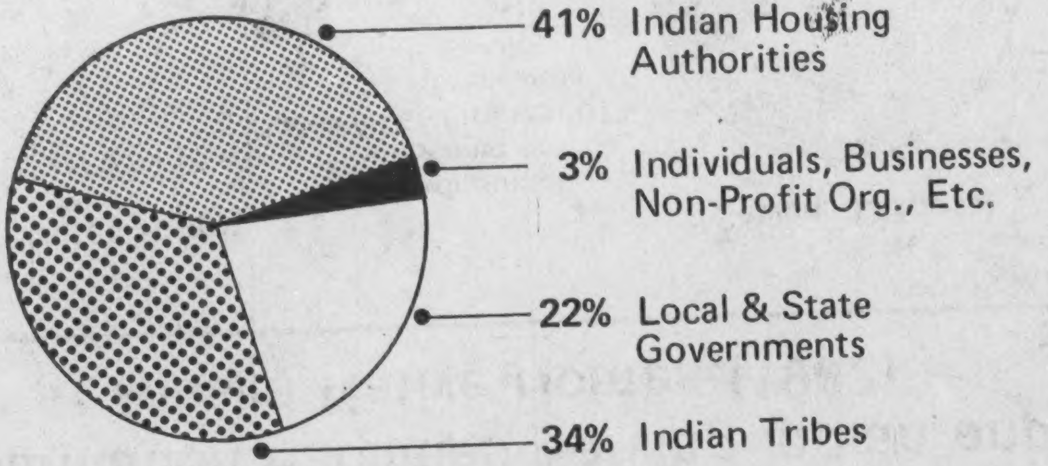
Sanitation Facilities Serving Indian and Alaska Native Homes (1982)



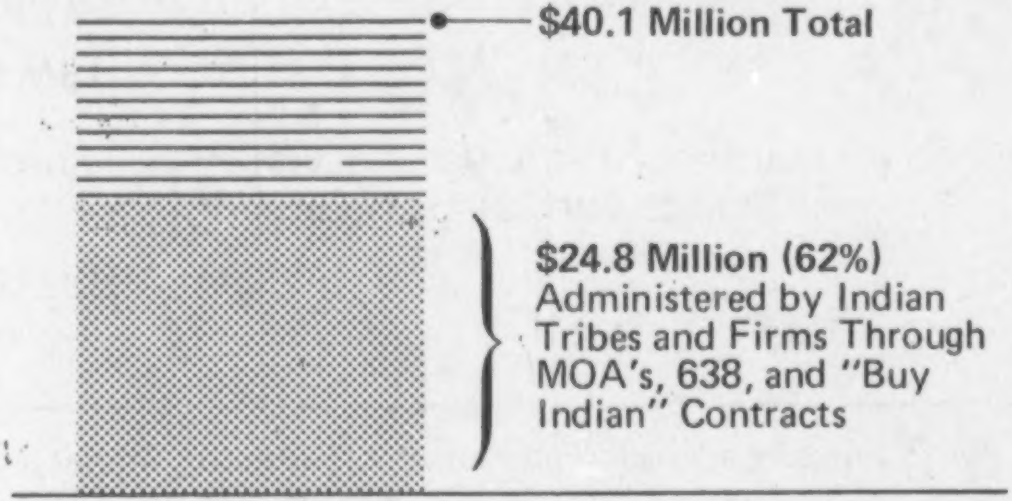
Contributions to IHS Sanitation Facilities Projects

By Source for FY 1982

Total—$7,240,000



Disbursement of IHS Funds for the Provision of Sanitation Facilities (FY '82)



Reliability of Sanitation Facilities

Served by Community Water and Sewerage Systems (1982)

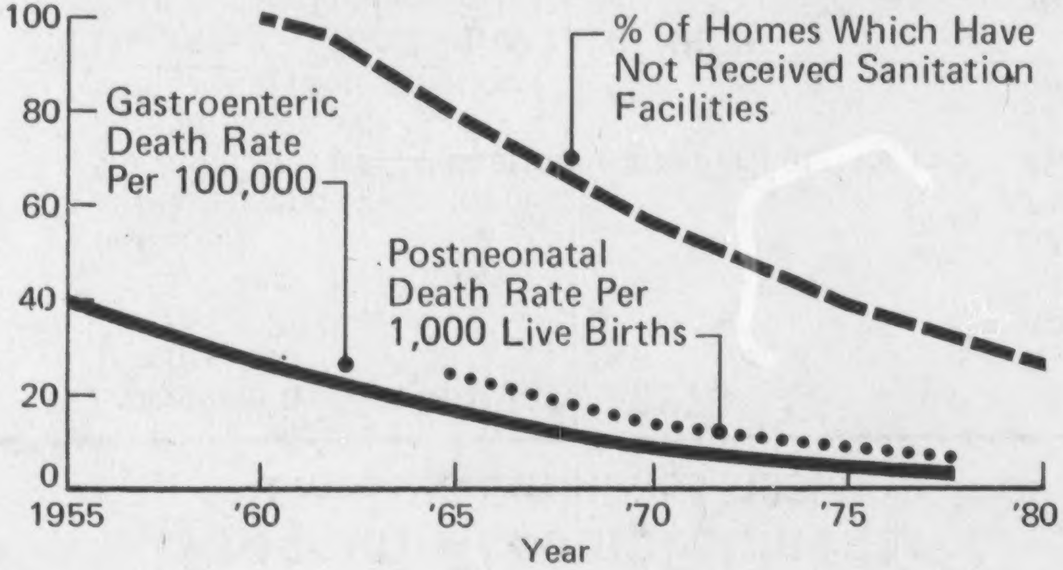
WATER

95.4% of the time systems operational and provided water of acceptable bacteriological quality

SEWER

96.4% of the time systems functional

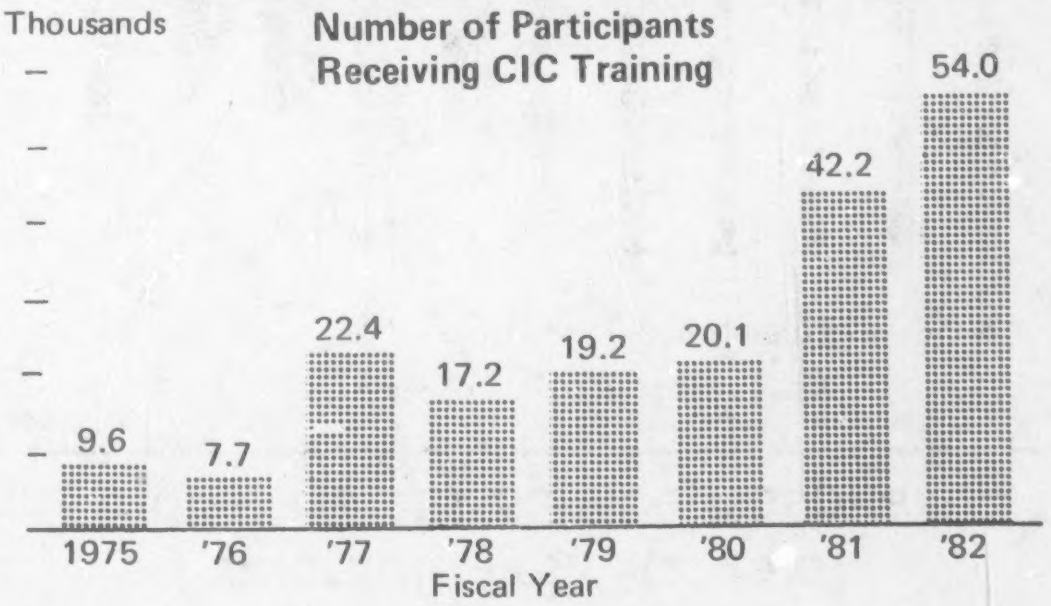
Death Rates Versus Lack of Sanitation Facilities (1982)



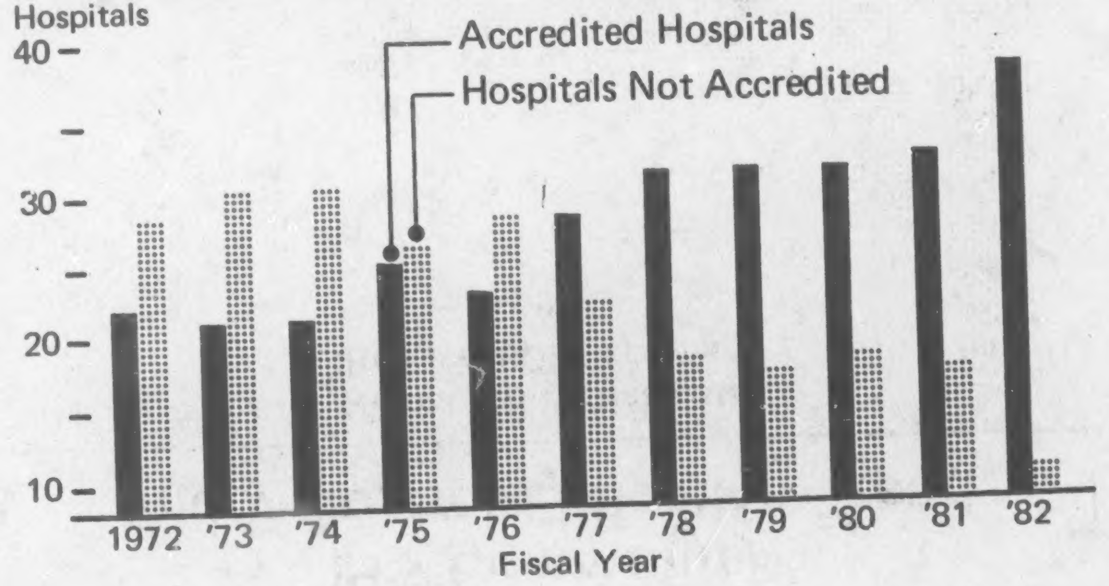
Program Accomplishments
Since IHS Established (1955)

% Decrease in Mortality thru 1979	
Infants	75
Under 28 Days	66
28 Days - 11 Months	81
Maternal	87
Influenza and Pneumonia	71
Certain Diseases Originating in the Perinatal Period	75
Tuberculosis, All Forms	92
Congenital Malformations	46
% Decrease in Morbidity thru 1981	
New Active Tuberculosis Cases	79
Trachoma	98
% Increase in Services Provided thru 1982	
Hospital Admissions	113
Outpatient Visits	816
Dental Services	826

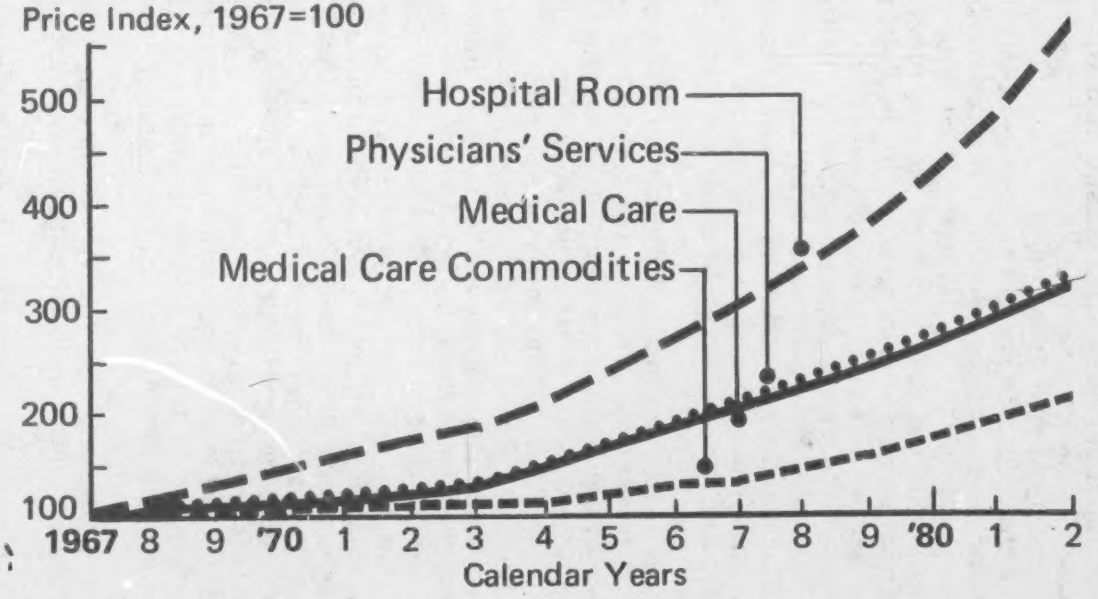
IHS Community
Injury Control Education Trend



Accreditation Status of Indian Health Service Hospitals



Consumer Price Index for Medical Care



Senator **Andrews**. In addition to the chart series, I would like to request that you provide the committee with a chart that shows the history of the fiscal year 1984 budget.

Mr. **Kelso**. I am sorry, sir; I did not hear you.

Senator **Andrews**. I would like to get a chart that shows the history of the fiscal year 1984 budget.

Mr. **Kelso**. Yes, sir; we will be glad to supply it.[1]

Senator **Andrews**. I understand the restrictions you are under, but we would like to find out where it came to grief along the line.

Recently, Indian Health Service issued orders to all of its health care facilities and service centers to discontinue service to non-Indian spouses of Indian people served by the Indian Health Service. What is the cost savings you expect to realize from this action?

Dr. **Rhoades**. Mr. Andrews, it is too early to tell at this moment, since that was only placed in effect about January 12.

Our anticipation is that we will not see a dollar accumulation. The effect of that will be to diminish the load that is present in the clinics.

Our estimates are that it will have an effect somewhere between 5 and 10 percent in decreasing the ambulatory care load and somewhere over 2 percent in decreasing the load for inpatient care.

Senator **Andrews**. What indications of hardship to Indian families resulting from this action have you received?

Dr. **Rhoades**. There are two kinds of hardships that have come to our attention: The obvious hardship of an individual who perhaps had received care from Indian Health Service for a number of years now no longer having that source of care available to him when that has been his life pattern. I have been told that it has caused some family friction and divisive influence within families, but I do not have direct information about that.

The other possible deleterious effect, of course, is that, thinking in general terms in the delivery of medical care, one frequently does not wish to administer care only to a single individual, and that often the most appropriate medical care that can be given is to be given to the family, just as it is often to a community. There has been some diminishment in our ability to care for the entire family.

Senator **Andrews**. Do you believe that the moneys that you have requested for contract health care are adequate to meet the identified need?

Dr. **Rhoades**. We know that there continues to be, as there has been for some years now, considerable unmet need for complicated care not readily available in our own facilities that we have not been able to completely diminish because of a chronic situation of shortage of contract dollars that, in the last 2 or 3 years, has permitted us only to provide care that, in the judgment of the physician caring for the individual, if they did not have, would place that individual—that is the patient—at some direct threat to their life or the loss of limb.

Stated another way, we are providing, through the contract mechanism, for emergency services at the present time.

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[1] Retained in committee files.

Mr. **Kelso.** Mr. Chairman, it should be noted that there is an $8 million increase in contract care for 1984. There are also some management improvements which we hope to have in effect in 1984, which would hopefully stretch that contract dollar further than it has in the past.

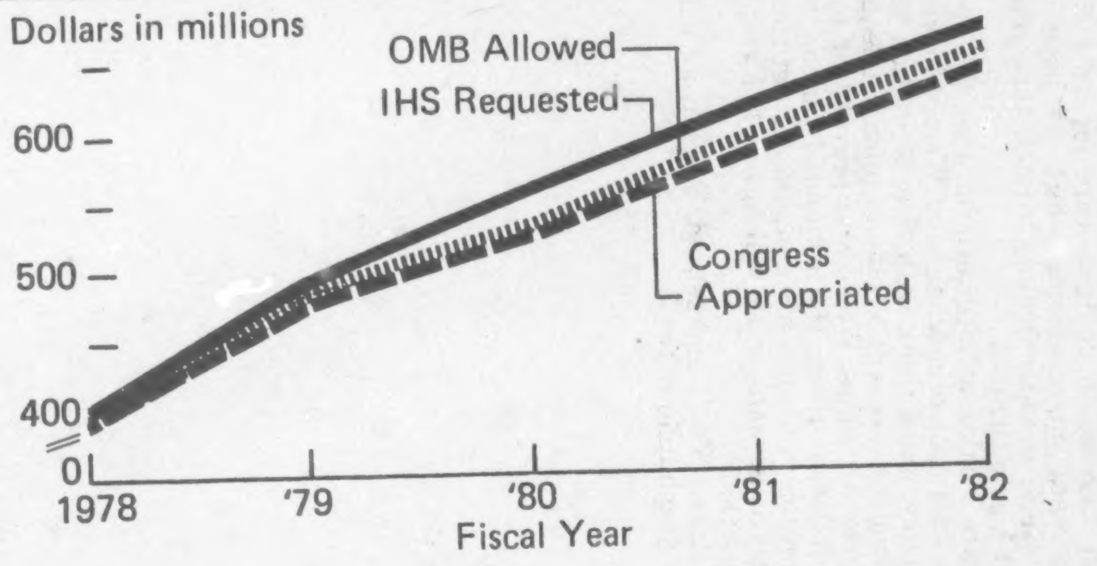
We are looking at medical priorities. We are looking at authorization fund control mechanisms. We are looking at how we collect the money, and I think with that $8 million plus the management improvements, we will be able to provide adequate care.

Senator **Andrews.** Would you provide for the record a chart or, given inflation rates, the estimated buying power in percentage terms of the funds you are going to request this year in comparison with previous years, so we will have a bar graph or chart so we can compare that?

Mr. **Kelso.** Yes, I understand. Yes, sir, we will do that.

[The graph follows:]

History of Current Services, 1978-82



Senator **Andrews**. What you stated a minute ago leads me to my next question. When, if ever, do you anticipate having sufficient funds to allow the Indian Health Service contract care program to provide other than priority I level of services?

Mr. **Kelso**. Well, sir, this budget, as I indicated in my opening statement, is premised on the fact that we want to provide basic health care in our facilities and through contract care. We will have to look at that in 1985, depending on what the budget priorities are. I do not think we can answer that right now.

Senator **Andrews**. What are you doing in the meantime to address patient needs that do not come within priority I levels?

Dr. **Rhoades**. There are two mechanisms that we ordinarily employ where feasible. We do have a few facilities in Indian Health Service such as the Phoenix Indian Medical Center that can provide more complicated care than is available in many of the other 48 hospitals. We sometimes are able to place a patient there for care.

Our physicians tend to be fairly resourceful locally and often are able to negotiate, work out informal arrangements with the referring hospital in which the hospital that the patient is referred to understands that we cannot pay for the cost of that individual.

Senator **Andrews**. Has your department evaluated, and would you relate to this committee the results of any evaluation your department has conducted to ascertain the impact that the elimination of the community health representative program will have on the health status of American Indians and Alaska Natives?

Dr. **Rhoades**. We have not done such an evaluation as yet, Mr. Andrews.

Senator **Andrews**. Do you intend to?

Dr. **Rhoades**. We do not have any immediate plans to do so.

Senator **Andrews**. I am certainly no medical expert, I am no doctor, but when we handle appropriations and funding at the congressional level, there are all different kinds of funding, but as I understand this community health representative program, this is sort of up-front preventative care that, if you invest a buck in, you might save $15 to $20 in later medical emergency costs that the Federal Government or those who are taking care of the needs of the Indian people or Alaska Native people are going to come up with.

Of all the idiotic places to cut! This is sort of like Stockman coming up and saying that we are going to cut the funds for the nutrition of pregnant women. You save $400 maybe for feeding the pregnant woman and you spend $40,000 on the medical needs of the sick or disabled child. It is a lousy way to save a dollar.

Mr. **Kelso**. Mr. Chairman, we had to make a decision up front when we constructed this budget, and we made the decision, as I said in my opening statement, to put priority on basic health services in hospitals and clinics. We had to make a cut somewhere. This is no reflection on the adequacy of the program, but we just had to make some cuts to preserve the dollars that go into hospitals and clinics. It was a budget priority.

Senator **Andrews**. Last year, as I understand it, 300 medical practitioners who are actually out in the field dealing with the Indian patient population on a daily basis signed a petition protest-ing the elimination of this program, based on their belief that the termination of the program would have a serious negative impact on the health status of Indian people.

Do you have any information that could lead you to a contrary conclusion, or are you just saying that you had to cut the dollars and, by golly, the cut just seemed to fall here?

Mr. **Kelso**. That is right.

Senator **Andrews**. You are not disagreeing with this conclusion?

Mr. **Kelso**. I am not saying that there is anything wrong with the community health representative program. I am saying that, on the basis of budget priorities, we felt that direct basic care in hospitals and clinics was top priority. I am sure that if we had cut those services in hospitals, you might have gotten a petition from the hospital-based physicians.

Senator **Andrews**. Have you made any evaluation of the availability of alternate sources of health care to native people residing in urban centers?

Dr. **Rhoades**. Indian Health Service has not done so directly since the initial establishment of most of the urban clinics. I am confident that every urban program has that kind of data, although, in general terms, the acquisition of information about the alternate resources that every person has is very difficult to obtain.

The urban programs have been very resourceful in capturing those other resources that are available in the community through their own efforts.

Senator **Andrews**. Well, given the fact that the urban health program was initiated because existing State and community health facilities simply were not serving, or refused to serve, Indian patients, do you now have new information indicating that Indians can gain access to alternative sources of health care that have been refused to them in the past?

Mr. **Kelso**. Here again, Mr. Chairman, I am going to have to put it in the same category with community health representatives. It is a little bit different in that we had a choice, and if the choice was between the Indian who lived on a reservation, who did not seem to have any alternative arrangement for care, versus an urban Indian who at least would have some access to community health centers, some of the other preventive programs, and State and local activities, we felt that the cut ought to come in the urban health program and save the basic health care in the IHS hospitals.

Mr. **Mahoney**. I might add, Senator, that in terms of the block grant which Mr. Kelso referred to, there are four block grants in the Public Health Service. The latest one is the primary care block grant which will make available primary care services.

The total sum of those block grants is $1.4 billion. Under certain circumstances, tribes will be able to apply separately for block grant funds.

Senator **Andrews**. Well, those block grant funds always go out there, and everybody says they are going to get through to the Indians, as the other minority groups, but they never do. Block grants are a wonderful way of getting them out there and letting somebody locally, who is afraid to raise his own money for the programs he needs, have a little bit of extra money to spend, but there is no direction, no guidelines, to assure that minority groups are going to receive adequate care. That is why we set up these special Indian health programs in the first place, because they were not being served by the people out there in the areas.

Dr. Rhoades, You have served Indian patients at urban Indian clinics. What is your personal, professional opinion with respect to the value of these programs to Indians residing in urban areas, and are the programs cost efficient?

Dr. RHOADES. Do you want my individual response?

Senator ANDREWS. I want your personal, professional opinion. Take off your title and all of that sort of stuff. We are trying to find out, and I am sure you know this, and I have been serving on appropriations committees and the rest for some 20-odd years. We have to take the information we put together to the floor and attempt to convince our colleagues of what we jointly, as members of this committee, feel are important ways to go.

The more information we have in the record, the stronger our case can be. So what we are looking for is straightforward, honest information from the field that may be of help to us on the floor when we finally come to the debate as to how this thing is going to be handled. So I am asking for your professional, personal opinion.

Dr. RHOADES. I served as a volunteer physician in Oklahoma City in 1970 at the very instigation of the urban programs which began, I guess, first with the Minneapolis program in 1969. I was intimately associated with that urban program; that is, the Oklahoma City program as a volunteer physician and then as a board member for some years. I believe I was chairman of the board of directors when I left to take my present job.

I guess I would reiterate the point that Mr. Kelso had made about the CHR's. There is no question of the value of the urban programs. My experience, up until a year ago, indicated that Indian people in the urban areas indeed had no other source of care than the urban programs.

Senator ANDREWS. And if they did not have that urban proram available to them, two things happened: No. 1, their health suffered, meaning that greater cost was going to have to be absorbed later on, plus a lot of individuals suffering; or, No. 2—and, ultimately, two would probably come about, also—it was another means of forcing them back to the reservation where they would add to the cost, and you would get totally away from the idea of allowing the Indian people who wanted to be assimilated into the society as a whole.

So it is a self-defeating action, I would think, if you do look at the possibility of allowing Native Americans to take their place across this country.

What impact will the elimination of new scholarships have on the availability of Indian physicians?

Mr. KELSO. As you know, most of the IHS physicians are in the National Health Service Corps. That has been the source for the past few years.

We will continue to use the National Health Service Corps. The Indian Health Service is top priority for referrals from the Corps. When we looked at the budget, we went back to primary care in hospitals and basic health services, and we felt that we could not afford any new starts this year, with the exception of 70 nurses.

There is a nursing shortage problem within the Indian Health Service, and we put a priority on that, and we will start 70 new nurses.

Senator ANDREWS. Do you have any evidence that the number of Indian physicians and nurses represents proportionate parity with the number of non-Indian physicians and nurses?

Mr. KELSO. I do not know.

Senator ANDREWS. Approximately what percentage of doctors and nurses trained with the support of this program have returned to serve in Indian communities?

Dr. RHOADES. About 90 percent, Senator Andrews.

Senator ANDREWS. Two years ago, I offered an amendment to the Interior Appropriations Act for fiscal year 1982 that allowed moneys obligated for a scholarship to a particular student to be reobligated to another student should the original scholarship grantee not continue in the program, rather than have those moneys returned to the general treasury.

Dr. Rhoades, how many more students have you been able to fund because of this change?

Dr. RHOADES. We have not been able to fund an additional number of students, obviously, because we——

Senator ANDREWS. How many would you have lost?

Dr. RHOADES. OK, yes. We were only able to institute this since 1982. I guess that would coincide with your amendment. The number is between 80 and 100. That is students that have been——

Senator ANDREWS. So you have had between 80 and 100 additional students admitted into the program as a result of the amendment?

Dr. RHOADES. Or, I would say, students that would not have otherwise been lost. Yes, sir.

Senator ANDREWS. Dr. Steele, did this amendment help out any students in the INMED program at UND, do you know?

Dr. STEELE. I am not sure. We have 52 students on INMED IHS funds. We thought we had 60, but we were given 52. There are four other students who have IHS funding who are not out of our particular moneys. But I do not know if that is out of the other moneys.

Senator ANDREWS. I see that we have not requested any moneys for the INMED program at our University of North Dakota, either.

In two hearings before this committee last year, IHS witnesses praised the INMED program, justified it as being cost saving, getting students into health careers and keeping them in school with few dropouts. It is important, therefore, for two reasons: No 1, providing the health professional that the Indian people need; and, No. 2, offering unique training in a profession where there is demand for the Indian young men and women.

Now I see you are requesting that the program be eliminated. Why?

Mr. KELSO. Here again, Mr. Chairman, we were confronted with difficult decisions, on where to allocate money in this budget, and that was part of our decision on the whole manpower program. We felt that money should be spent in basic health care.

Senator ANDREWS. What will happen to the students currently served by the program?

Mr. KELSO. The students that are currently in the program, as I said in my opening statement, will continue until they obtain their degrees.

Senator ANDREWS. Do you know what goes on in the summer program, for instance?

Mr. KELSO. The extern program?

Senator ANDREWS. Yes.

Mr. KELSO. Yes, sir. Students work with the Indian Health Service throughout the United States.

Senator ANDREWS. I am talking about the summer youth program.

Dr. RHOADES. You are talking specifically about the INMED summer program?

Senator ANDREWS. Yes. Dr. Steele knows about this. Could you explain briefly——

Mr. KELSO. Let Dr. Steele address that. I thought you meant the extern program.

Senator ANDREWS. I am talking about the summer program and what it entails.

Mr. KELSO. Let Dr. Steele speak to that.

Dr. STEELE. We have 30 students in the junior high program. This is all paid for by Indian Health Service. That is part of our $200,000 that we get directly to the program.

We also have 30 senior high students, but this is paid for by HCOP, as are the five to ten students paid for by the med prep program, which is to get students ready to go into medical school.

The IHS summer program only, where we take students that are at higher risk that we cannot lock into the 103 and 104 programs, are put into our summer program to try to prove themselves. We take approximately 10 in that. That is IHS funded.

Then the regular IHS academic students that have makeup work or that can go in the summer, we have between 15 and 20 of them. So we have approximately 100 students on campus every summer.

Senator ANDREWS. In other words, this is the program to give the Indian students the "catchup," so to speak, during the summers, so that they can be competitive and they can be admitted eventually to the science curricula and on into medical school where they could not go, otherwise.

Dr. STEELE. Yes, sir.

Senator ANDREWS. Is it part of the INMED funding and INMED program?

Dr. STEELE. Yes, sir.

Senator ANDREWS. If this is eliminated then, under the normal educational grant systems that we have for Indians, their opportunity to use those programs in the absence of INMED will be much lower because they will not have had that extra training along the way, so that when they come to the time in their educational career of being able to apply for medical school, they simply will not have the background. So, we lose two ways on this, do we not?

Dr. STEELE. Yes, sir, we do. We have less than a 5-percent dropout rate in INMED. The national average for Indian students in medical schools that drop out is over 12 percent. We are taking kids from reservations and trying to get them through.

Senator ANDREWS. So, even though there are opportunities in other educational programs for Indians, the absence of the INMED summer training program that gets them when they are in high school and before pregraduate curriculum time would, in effect, create a good deal of problem for the potential student in a health care discipline.

Dr. STEELE. Yes, sir, it could.

Senator ANDREWS. This is probably a hard question for you, Dr. Steele, but what do you think about cutting out the funding for INMED?

Dr. STEELE. Well, I would like to say that, 10 years ago, there was only one student at UND taking science and math. We have 56 funded by IHS right now on the campus taking science and math, preparing in premed or health careers.

So when we have made that much of a dent, I sure hate to see it go. We also have graduated 33 students. Twenty-nine of these are physicians. Seventy-three percent of these have gone back to the reservations. Of the 73 percent, the majority of those students that did graduate and go back to reservations or have worked with Indian Health people—I mean, this is our Indian communities—most of these students were not on payback scholarships as the students now on IHS will be, because they were paid for by OEO funds.

Senator ANDREWS. Dr. Steele, you have heard the witnesses here today discuss the number of Indian physicians and health specialists available. Tell me, in your opinion, and from your personal observation and experience, are there enough doctors out there?

Dr. STEELE. Well, I know only the Aberdeen area completely. Right now, we are pretty short. We do not have any permanent physicians at Eagle Butte, S. Dak., Cheyenne River Reservation. That is the worst. We should have four doctors.

At Fort Yates, we have five slots available. Only one is a permanent physician. At Rosebud, there are seven slots. We have four vacancies there. I could go on. We have 27 nursing vacancies. That is just in the Aberdeen area. In the Billings area, by July 1, I was told a month ago we would be 30 percent down on doctors, and in the Aberdeen area, 50 percent. Now, Dr. Rhoades can correct me if I am wrong, but this is what I was told at a recruitment meeting a month ago.

Senator ANDREWS. Could one of you provide a more detailed list for the record, so that we have the complete slots desirable of being filled but unfilled out in the field?

Dr. RHOADES. Certainly.

[Subsequent to the hearing the following information was supplied for the record:]

INDIAN HEALTH SERVICE JULY 1983 VACANCY LISTING

ABERDEEN AREA

North Dakota

Hospital.—Ft. Yates: 3, family practice/GMO; 1, pediatrician or internist.

Health centers.—Ft. Totten: 2, family practice/GMO. Newtown: 2, family practice/GMO.

Nebraska

Hospital.—Winnebago: 1, family practice/GMO.

South Dakota

Hospitals.—Eagle Butte: 3, family practice/GMO; 1, pediatrician. Pine Ridge: 2, family practice/GMO. Rosebud: 2, family practice/GMO; 1, OB/GYN. Wagner: 1, family practice or 1, internist to do general medicine. Sisseton: 1, family practice/GMO or pediatrician willing to do adult medicine.

Health Centers.—Ft. Thompson: 1, family practice/GMO. McLaughlin: 1, family practice/GMO.

USET

Mississippi

Hospital.—Philadelphia: 1, family practice/GMO.

BEMIDJI AREA

Minnesota

Hospital.—Cass Lake: 1, family practice/GMO.

Wisconsin

Health centers.—Oneida: 1, family practice/GMO; Lac du Flambeau: 1, family practice/GMO.

BILLINGS AREA

Montana

Hospitals.—Crow/Lodge Grass: 2, GMO/family practice (GMO with surgery interest); Harlem: 2, family practice/GMO.

Health centers.—Lame Deer: 1, family practice/GMO; Poplar: 2, family practice/GMO.

Wyoming

Health Centers.—Ft. Washakie: 1, family practice/GMO.

Senator ANDREWS. Dr. Steele, how many Indian physicians are you aware of, that are serving the Indian people in the health corps?

Dr. STEELE. I was told 20. Is this correct? I do not know.

Senator ANDREWS. How many Indian physicians are serving the Indian people in the health corps?

Dr. RHOADES. Serving Indian people in the commission corps or in the Indian Health Service?

Senator ANDREWS. Right.

Dr. RHOADES. I am sorry, I have to give you a guess. I would say 12 at this moment.

Senator ANDREWS. You could provide that for the record and also fill in the information on the reservations that do not have enough or any doctors on a full-time basis.

Dr. RHOADES. Sure.

[Subsequent to the hearing the following information was supplied for the record:]

There are 20 Indian physicians serving in the Indian Health Service.

Senator ANDREWS. Also, Dr. Steele, have you ever gone to a reservation to fill in for a doctor?

Dr. STEELE. Yes, sir.

Senator **Andrews**. When you get there, are there trained staff to assist you: lab technicians, nurses, pharmacists?

Dr. **Steele**. Yes, but sometimes—for instance, at Fort Yates—some of the lab techs are on every other night, on call, and that gets to be a long day.

Senator **Andrews**. Have you ever attended recruitment conferences or medical school conferences?

Dr. **Steele**. Yes, I have.

Senator **Andrews**. What efforts have been made to encourage either Indian or non-Indian medical students to commit themselves to going onto a reservation for a few years to practice as part of a health corps?

Dr. **Steele**. We put a lot of effort into that. That is one of the main things with INMED.

Up until this year, we were sponsoring a workshop, physicians' seminar, where we brought our students back on campus and once again talked to them about going into the Indian Health Service. We also had CME credits in diabetes, tuberculosis, alcoholism—things that are particular health problems to Indian people.

So, until this year, we were doing that, also, as part of INMED. At the recruitment conferences, the tribes are encouraged to come in and help the Indian Health Service to recruit these people.

Senator **Andrews**. One final question, Dr. Steele.

I mentioned a while ago the importance of preventive medicine, encouraging a person to come in to be seen so that whatever condition they might have does not get worse and cost far more later. In your opinion, is it easier for Indian people, particularly elderly Indian people, to come in and see an Indian doctor as opposed to a non-Indian doctor?

Dr. **Steele**. I sure is, and, hopefully, the Indian doctor can get a better history. I have run into situations when I have gone out where the Indian patient did not understand the questions the doctor was asking, nor did the non-Indian doctor understand the answers, and we had a mismatch and some problems with health care because of it. I can be more specific.

Senator **Andrews**. Senator Melcher?

Senator **Melcher**. Thank you, Mr. Chairman.

Mr. Mahoney, when you were speaking of block grants, were you talking about some specific types of block grants that would go directly to án Indian reservation or an Indian tribe?

Mr. **Mahoney**. Well, let me explain, sir. There are four block grants within the Public Health Service. Three of them are now operational. They are for alcohol, drug abuse, and mental health services, for preventive health care, and also for maternal and child health.

There is also a primary care block grant, to which the administration is proposing revisions in 1984.

Three of those block grants—the primary care block grant, the alcohol, drug abuse, and mental health, and the preventive block grant—have a provision in them that the tribe, if it so desires, can apply directly to the Secretary rather than have the State apply and then the tribe in turn apply to the State. That was the point I was trying to make.

Senator **Melcher**. How many tribes have applied?

Mr. MAHONEY. Well, the primary care block grant is not operational yet, so I cannot give you any data on that, but I do have some data on the other two.

Mr. KELSO. Senator Melcher, I might say that the primary care block grant is the one that contains the community health centers program. There are community health centers throughout the United States, and Indians in urban situations are eligible to go to these community health centers.

Mr. MAHONEY. Sir, for the prevention block grant in 1982, there were two tribes that were awarded grants. For the alcohol, drug abuse, and mental health, there were six.

Senator MELCHER. So, so far, they are not tremendously meaningful then, in terms of delivery of health care to the tribes. The ones you are speaking of are all on reservations, are they not, Mr. Mahoney?

Mr. MAHONEY. I do not know whether they are located exactly on reservations or not, but I can certainly supply that information for the record.

Senator MELCHER. But they were applied for to the Secretary by tribes.

Mr. MAHONEY. By tribes. Yes, sir.

Senator MELCHER. Mr. Kelso, on the other type of block grant that you are speaking of for——

Mr. KELSO. The community health centers?

Senator MELCHER. Yes, community health centers. That would not be directly to any Indian group, or would it?

Mr. KELSO. Indian groups can apply for community health center grants. Most grantees are nonprofit organizations. Sometimes they are State health departments or local community groups. But the point I was making is that the services of community health centers are available to Indians.

Senator MELCHER. How many of them are there?

Mr. KELSO. Community health centers?

Senator MELCHER. Grants.

Mr. KELSO. There are approximately 600 community health centers throughout the United States.

Senator MELCHER. No, I mean, how many grants.

Mr. KELSO. Each one of those is an individual grant. They are in both urban and rural areas.

Senator MELCHER. Well, they might become a meaningful health care delivery system for urban Indians, but it does not seem to me, at this time, that they provide much directly to urban Indians. I am being negative on the idea. I think the community health centers are a very great proposal. I am just trying to evaluate how meaningful they are for urban Indians at this time.

There is the question of the person indicted, the IHS official in Albuquerque who was indicted. I guess he was sentenced after he pled guilty to awarding his wife's consulting firm IHS contracts.

What is being done to prevent the recurrence of that?

Mr. KELSO. You are referring to Rufus Bell, who pled guilty to conflict of interest charges?

Senator MELCHER. Yes.

Mr. KELSO. The authority that he exercised was in Headquarters West in Albuquerque. We have taken contracting authority away from that organization, and they are now being served by the area office in Albuquerque. They do not have contracting authority.

Senator **Melcher**. Well, if he were in Washington, D.C., maybe he would have done the same thing. My question is, how do you handle prevention of recurrence of such an abuse of authority?

Mr. **Kelso**. Well, the authority he exercised was delegated through the Department to Albuquerque Headquarters West. As I say, we have taken that authority away from that organization, and they are now being serviced by the area office in Albuquerque.

The only way we can prevent it is through constant training and surveillance. When this happens, we take corrective action. In the instant case, where the individual involved should have known better, due to positions he has held, we can only uncover such breaches of the standards of conduct through supervision, surveillance, and hot-line reports.

Senator **Melcher**. I guess more pertinent to that might be this $10,000 minimum. For contracts of less than $10,000, the scrutiny is not the same. I guess I should be more specific in my question.

Is that or is that not a good point to give more scrutiny to how these contracts are awarded?

Dr. **Rhoades**. Senator Melcher, let me be more specific, also. Indeed, we have instituted, put in place, a training program specifically designed for all our employees relating to conflict of interest, utilizing audiovisual material and televised curriculum, and so forth.

Senator **Melcher**. Well, that does the $10,000 have to do with it? I mean, there is obviously more scrutiny when the contract is above $10,000. Is that some basic statute?

Mr. **Kelso**. I am sorry, I did not hear you.

Senator **Melcher**. If the contract is more than $10,000, the practice, the rule, maybe it is a basic statute; I do not know, but whatever it is, if the contract is above $10,000, you are going to do something more to it. Well, in fact you are going to review it right here in Washington.

Mr. **Kelso**. Requirements in excess of $10,000 must be covered by contracts, while those under $10,000 are subject to the use of small purchase procedures such as are described in regulations.

Senator **Melcher**. Well, I think oftentimes a dollar figure is there as an invitation to think, well, something less than that stated amount will not receive the same scrutiny.

Mr. **Kelso**. No, that is not true.

Senator **Melcher**. That is not true?

Mr. **Kelso**. Small purchase procedures are designed to reduce administrative costs and eliminate costly and time consuming paper processes. However, small purchases and contracts below $10,000 are reviewed by headquarters elements on a sample basis through scheduled surveillance visits. The large number of actions in this category—over 171,000 in fiscal year 1982—precludes any other approach. However, these smaller dollar purchases are monitored at the area office level, while headquarters IHS reviews contracts in excess of $100,000 and those of $300,000 or more must be reviewed and approved by HRSA prior to award.

What I was reminded of by the staff is that, every year, all contracting officers are reminded of the standards of conduct and the code of ethics.

Senator Melcher. Well, it is a pretty serious thing in his life and that of his family. I hope the example is not repeated. I understand in just reading the article that it was a patsy deal. There is no way of getting around it. Did the patsy deal perform good services——

Mr. Kelso. Well, whether or not the organization that he gave the contract to performed good, bad, or indifferent services is not the point. It was a conflict of interest.

Senator Melcher. Yes, that is right.

Mr. Kelso. I understand that his wife was a member of that firm. It is also my understanding that up until that particular instance he had a creditable record as a Federal employee. As a matter of fact, I am told that he was within 6 months of being eligible to retire.

He had a creditable record, and he just made a grave error in judgment. And he pled guilty to it, as a matter of fact.

Senator Melcher. On a somewhat different matter, the appropriations bill for this fiscal year contained an eligibility provision for IHS services. It prohibits the IHS services to nonenrolled dependents of Indians except for prenatal care and public health emergencies. Does this create any practical problems?

Mr. Kelso. Dr. Rhoades spoke to that previously.

Dr. Rhoades. Yes, we answered that earlier, but I can summarize.

Senator Melcher. Oh, I am sorry.

Dr. Rhoades. There have been some inconveniences. There have been some problems with it.

Senator Melcher. Is it creating a problem with children that are beyond prenatal care?

Dr. Rhoades. I am not aware that it has created a problem for children. What has come to my attention, almost exclusively, has been non-Indian women married to Indian men who have been receiving care from Indian Health Service for many years, actually becoming dependent upon that source of care. I am not aware of a problem with younger people.

Senator Melcher. I have been concerned for the last couple of years, the last 2 or 3 years, about what might happen on competitive bidding on these small hospitals, on whether or not they are going to be the ones that are eligible for IHS payments. Are you going to try to implement some sort of competitive bidding for hospital service, and if so, what are the parameters of it?

Mr. Kelso. Yes. You and I have corresponded on this several times. We did delay implementation of the competitive procurement program in hospitals. We postponed it about a year. We have not implemented it. We implemented it on January 25.

The Federal Procurement Regulations require that competition shall prevail when practical and feasible. We have built competition into this program, but we think we have also provided the flexibility for IHS health professionals to make determinations that competition is not the appropriate way to go, given the facts of a particular medical situation.

But we do have to look at the competitive side of it in the interest of saving resources.

Senator **Melcher**. Well, let's see how this flexibility works. I will give you a "for instance." If they are off the reservation at Cutbank and Shelby, both communities off the reservation, would you expect the system to be built up to where you would ask for competitive bids among these hospitals in that area, or would at least the hospitals in those two communities be expected to bid on, say, outpatient care, the usual run of outpatient care?

Mr. **Kelso**. I do not know that specific situation. We would have to look at it on an individual basis. However, our procurement procedures do provide for geographical considerations and stipulate that awards should be made with proper deference to patient accessibility.

Further, in regard to the specific hospitals about which we communicated on February 9, we said that we had, through extension of contracts and various things, continued our programs in those hospitals, and should that change, we would let you know.

Senator **Melcher**. Could there be a group of hospitals that are all eligible for outpatient care, for instance?

Mr. **Kelso**. Yes. In fact our official procedures encourage the use of multiple awards. But we do have to look at the individual case. Further, price is not the thing that drives all of this. Our procurement rules stress technical rather than price competition and emphasize the need for applying medical judgment in selecting the best available source, or in the alternative, in determining the advisability of entering into multiple awards. Accordingly, we are most concerned with acquiring the best service that we can, price and other factors considered.

Senator **Melcher**. Has this cleared through the Solicitor's office with an opinion that says it is going to work under the Administrative Procedures Act?

Mr. **Kelso**. I cannot answer that.

Senator **Melcher**. Well, that act says that you are going to have competitive bidding. That is considered to be a promulgation of a rule, and the statutory requirements for notice and time and for comments must be observed before the rules are effective.

Mr. **Kelso**. I have to assume that the staff followed the appropriate procedures in carrying this out. We have been at it now for quite a while.

Senator **Melcher**. I would like to know if it is rulemaking. I think it robs you of a lot of flexibility.

Mr. **Kelso**. Could I provide you a statement for the record on that?

Senator **Melcher**. Yes, I wish you would on that point, because it could be a sticky one.

Mr. **Kelso**. All right.

[Subsequent to the hearing the following information was supplied for the record:]

41 CFR Chapter I Subpart 1-1.301-1 establishes policy that "All purchases and contract . . . shall be made on a competitive basis to the maximum extent practicable." Therefore, the HRSA Procurement Operating Instruction formulated no new policy but simply provided procedures to implement the competitive policy cited above to the procurement of medical services.

In summary, the policy in 41 CFR which is cited above is one of long-standing and nothing contrary to that policy had been published in Federal or HHS Procurement Regulations as applicable to medical services. Consequently, there is no need for rulemaking and comments under the Administrative Procedures Act.

Senator Melcher. Now, one last question, one last subject here. We cannot get enough money for these hospitals, for hospital construction. They seem to be slipping all the time. There was Coleman MacCarthy's article recently on the Rosebud Reservation hospital as a point. Closer to Montana, or part of Montana, what is the situation going to be for the hospital at Browning this year?

Mr. Kelso. We have proposed that $6.7 million be changed from one appropriation to another to permit us to use that to offset part of the pay raise for the Indian Health Service.

I guess I have to reply again in the context of the priorities that we used for the development of this budget. There is not construction money in it for 1984, but here again, we put our resources on direct patient care in the hospitals and clinics.

Senator Melcher. Well, this money was appropriated.

Mr. Kelso. That is correct.

Senator Melcher. Is there a rescission or a deferral request?

Mr. Kelso. In this budget, we are asking that the $6.7 million be used to offset part of the pay raise.

Senator Melcher. So you are going through the regular procedure of requesting a rescission or a deferral?

Mr. Kelso. Yes, sir.

Senator Melcher. Have you submitted that to the Appropriations Committee?

Mr. Kelso. It came up with the budget.

Mr. Mahoney. Yes, it was submitted with the budget.

Senator Melcher. Has there been any action so far by the committees?

Mr. Kelso. No.

Senator Melcher. Thank you.

Senator Andrews. I have a series of questions that I will submit for the record for your response. We would like a detailed response. We appreciate very much your participation this afternoon. It will be most helpful.

Mr. Kelso. Thank you, very much.

[Subsequent to the hearing the following questions and answers were received for the record:]

Department of Health and Human Services,
Office of the Secretary,
Washington, D.C., August 22, 1983.

Mr. Pete Binkley,
Select Committee on Indian Affairs,
U.S. Senate, Washington, D.C.

Dear Mr. Binkley: Enclosed per the request of Senator Andrews' letter of March 18 are answers to several questions forwarded to the Department following the Indian Health Service oversight hearings on February 24. The responses to the first eleven questions are enclosed. The remaining twelve questions which involve sanitation facilities construction and other Department of Housing and Urban Development (HUD)—related issues are still in the review and clearance process at the Office of Management and Budget and HUD. These responses will be forwarded as soon as they become available.[1]

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[1] Not received at time of printing.

We are sorry for the delay. In the meantime, if we can be of further assistance, please let us know.

Sincerely,

CYNTHIA C. ROOT,
Deputy Assistant Secretary for Legislation (Health).

Enclosure.

FACILITIES CONSTRUCTION

Question 1. In fiscal year 1982, Congress appropriated funds for the planning and design of two Indian hospitals—one at Rosebud, South Dakota serving the Indian communities in the surrounding area, and the Sacaton Indian Hospital, serving the Gila River Indian Community. It is our understanding that the monies appropriated have not been released for the activities Congress authorized. Why have these funds not been released?

The Rosebud Indian Community is seeking to conduct the planning and design phases of the hospital under a Public Law 93-638 contract. Why has the contract not been funded?

The Sacaton Hospital is not going through the 638 process. Why has funding for that hospital been held up?

Answer. Release of Department of Health and Human Services funds for both hospitals is contingent upon approval of the Program Information Document (PID). The PID is the major planning document which allows the Department to review the need for and potential effectiveness of the proposed health facility.

In the case of Rosebud, the PID is still under review. In the case of Sacaton, several outstanding issues have now been resolved, including the maximal use of nearby community hospitals. The Sacaton PID has been approved in concept, and it is expected that a design contract will be awarded within the next few months.

CONTRACT HEALTH CARE

Question 2. Given inflation rates, what is the estimated buying power in percentage terms of the funds you are requesting this year for contract health care in comparison to previous year?

Answer. The fiscal year 1984 request for contract care funds includes an increase of $8.7 million, or 6.3 percent above the fiscal year 1983 level. The increase in the medical CPI from fiscal year 1983 to 1984 was 5.5 percent.

As indicated in the fiscal year 1984 IHS Budget Justification, the Contract Health Services (CHS) Program will redirect funds from lower medical priority services to general medical and surgical hospitalization. This shift in resources to higher priority inpatient care will allow the IHS to purchase the same level of inpatient CHS care in fiscal year 1984 as in fiscal year 1983. In addition, management improvements within the CHS program and the IHS in general will increase the effective and efficient use of CHS resources.

Question 3. What percentage of the patient population of the Indian Health Service is not receiving treatment because of the restrictions requiring Indian Health facilities to serve only patients classified as needing priority one level of services?

Answer. Indian Health Service facilities, whether direct or tribally operated, provide any service available at that facility to any and all eligible Indians who request care. Only contract health services are limited to priority I, or "emergency only" care. We are not aware of any eligible Indian not receiving needed health care. The IHS estimates that the backlog of non-emergency operations which can only be met through CHS funds is about 2,400.

Question 4. Sage Memorial Hospital is the only non-profit Indian-owned and managed health care facility in the nation. Has Indian Health Service been funding Sage at a level that is commensurate with the expenses the hospital incurs for the full volume of services that the hospital provides to Indian patients? Will the Indian Health Service be signing contracts with the Sage Memorial Hospital for fiscal years 1983 and 1984?

Answer. Sage Memorial Hospital, owned and operated by the Navajo Nation Health Authority, is one of four Indian-owned and managed hospitals in the nation. The fiscal year 1983 Appropriations Act Conference Report directed the IHS to fund Sage Memorial Hospital. In fiscal year 1983, the IHS has contracted with the hospital for an additional $561,000 bringing the total reimbursements to $2.2 million which we believe is commensurate with hospital expenses. The amount of funding available for Sage Memorial in fiscal year 1984 has not yet been determined.

COMMUNITY HEALTH REPRESENTATIVES

Question 5. Please provide this Committee with any data, statistical or otherwise, which would indicate that rather then being primarily budget-driven, the decision to eliminate the Community Health Representative program is based upon findings of an actual reduction in need for the program.

Answer. The IHS' primary mission is to maintain inpatient and outpatient medical care services. A means of accomplishing these objectives within the Indian community is through the use of public health nurses for community outreach and health promotion and disease prevention education programs which teach the Indian community about the availability and use of health services.

URBAN INDIAN PROGRAM

Question 6. The proposed elimination of the urban health projects is premised upon the availability of alternative health resources for urban Indian patients. What evidence does the Department have that state and community-based health organizations will be able to absorb the Indian population that will no longer be served by Indian Health Service urban projects?

Answer. Urban projects were designed to serve the Indian population living outside the reservation community by developing a link or point of access to the urban health and social service resources. Existing state and community based health organizations currently absorb the workload of the urban centers, which act principally as referral sites. In addition, Department data indicates that the urban projects are now able to generate reimbursement from other revenue sources such as third-party payments, cash payments for services provided, grants from the private sector and church groups, in addition to private donations and volunteer services by physicians and dentists. Reduction of direct Federal support will not change the ability to provide necessary health care to urban Indian patients because of the linkages that have been established by the Urban Indian projects and the funds being generated from other sources by these projects.

Question. What factors have changed since the inception of the Urban Indian health program that would make the need for urban health projects any less?

Answer. As discussed above, community based programs have become sensitized to the needs of Indian people through the Urban Indian program's linkages, and are now currently serving them.

THIRD PARTY REIMBURSEMENTS

Question 7. What is the Indian Health Service's present system for identifying patients who are eligible for and receive Medicaid or Medicare coverage?

Answer. The present system for identifying patients with Medicare coverage begins with a review of the charts maintained at each hospital. If the patient is over 65, the local Social Security Administration district office will provide information on whether the patient is eligible for Medicare and if the patient has Part B coverage. Once this has been determined, a patient release form is signed by the patient and this form is maintained in the patient's record.

The procedure for identification of Medicaid eligibles is different. Medicaid eligibility can vary from month to month. Patients are asked by IHS personnel each time that they come to an IHS facility for services. Over the years a data base has been built that includes the names of those individuals who have had Medicaid coverage. This listing includes only those that are known to IHS, but does not include the total number that may be eligible.

In three States where IHS functions as a fiscal intermediary as well as a service provider, IHS has access to State eligibility rolls, so that Medicaid coverage can be verified. In the other States, access to State Medicaid eligibility lists is barred by Medicaid statutory requirements, so that eligibility can only be verified by IHS requesting each patient's eligibility status.

Question 8. Is State Medicare and Medicaid data collected by the Health Care Financing Administration made available to the Indian Health Service? If such data is not available to Indian Health Service, why is the data not made available to Indian Health Service?

Answer. Specifically, HCFA data are generally available to the IHS, but HCFA does not play a principal role in negotiations between IHS and the States. The Medicaid Management Information System (MMIS) data collected by HCFA are available to IHS. General Medicare data are also available to IHS. As stated above, specific data such as State eligibility rolls for Medicaid are not furnished IHS by States except in Montana, Alaska and Arizona where the IHS functions as a fiscal intermediary.

Question 9. Upon what data does the Department base its projections for an increase of $50,000,000 in potential collections from third party insurers, Medicaid and Medicare? Please provide the Committee with data which substantiate your projections.

Answer. The projected $30 million in collections for private insurance was based on calculations made by the Office of the Inspector General, DHHS. These projections were partially based on the number of Federally employed Indians, with Federal Employee Health Benefits, who utilized the Indian Health Service as the primary provider of care. Using potential savings from reimbursement from this source, additional calculations were made, using employment figures and estimates of private insurance enrollment for the entire IHS eligible population. The projected $40 million in collections from the Medicare and Medicaid programs were based on extrapolation from the growth rate in the reimbursements collected since fiscal year 1978.

Question 10. What obstacles exist to the collection of non-Medicaid and non-Medicare insurers?

Answer. The major barrier is that most insurers have included exclusionary clauses which state payment will not be provided for services which would otherwise be "free" for the policy beneficiary. This problem does not apply to contract health services (CHS) since CHS providers already can bill third party payors and CHS regulations require that CHS providers bill third parties before they bill IHS.

Question. How does the Department plan to address removing such obstacles?

Answer. The Department has agreed to maximize third party collections on behalf of Indians eligible for care by the IHS. PHS is currently exploring the options available to facilitate reimbursement for those Indians whose health insurance policies now exclude reimbursement to IHS facilities.

Question. What impact, if any, will such plans have on the legal relationship between Indian tribes and the Federal government?

Answer. There will be no effect on the relationship between the Federal government and the Indian tribes. Insurers are already billed when services are provided through contract care and we would be seeking to extend the same type of reimbursement capacity under the direct care portion of the IHS program. In addition, any additional resources available to supplement appropriated funds will allow IHS to provide better health care to Indian people.

EQUITY HEALTH CARE FUNDS

Question 11. How does the Department plan to fund the court-mandated equity health care fund if the projected collections are not forthcoming in the amounts you estimate? Please provide this Committee with alternative plans for funding the equity health care fund.

Answer. HHS anticipates no problems in achieving collections estimated in the President's Budget for fiscal year 1984. If there is a shortfall, and the IHS does not collect the projected amount from reimbursements, the IHS will consider alternatives for funding the equity health care fund, including the reallocation of base program funds. At this time the alternatives are not sufficiently developed to provide the Committee with detailed plans.

Senator **ANDREWS**. We now have some outside witnesses. The first of these is Liz Demaray from the INMED program, the assistant director of INMED in Grand Forks, N. Dak.

Our apologies for being so late.

Liz, I would like to welcome you here today. We have heard only praise for the INMED program, praise from Governor Olson; the president of the University, Tom Clifford; the dean of the medical school, Tom Johnson. My staff, who has been out to review the program, both during the youth summer term and the regular school term, has been very impressed by both your staff and the students. Having a daughter who is a student at the medical school as well, I get up there occasionally, so I know first-hand of the work you are doing.

I would just like to say, Keep up the good work. As you know, the committee has already questioned Dr. Steele on the program, but we would like to hear your point of view, also.

If you have a prepared statement, the entire statement will appear in the record. You may proceed to highlight it if you wish.

STATEMENT OF ELIZABETH YELLOW BIRD DEMARAY, ASSISTANT DIRECTOR, AMERICAN INDIANS INTO MEDICINE PROGRAM (INMED), ACCOMPANIED BY DOROTHY WEBSTER, INMED, FLATHEAD TRIBAL COUNCIL, RONAN; AND DONOVAN ARCHAMBAULT, INMED ADVISORY BOARD, FORT BELKNAP INDIAN RESERVATION

Ms. **Demaray**. Thank you, Mr. Chairman.

What I would like to do is highlight some of my prepared statement.

Senator **Andrews**. That will be fine.

Ms. **Demaray**. I would like to introduce Dorothy Webster, who is a member of our INMED advisory board. She is from the Flathead Indian Reservation. Also with me is Donovan Archambault from the Fort Belknap, Mont., reservation.

To highlight, we are requesting a total of $800,000; $200,000 for the regular program and the summer program that was mentioned and $550,000 for 62 scholarships.

We are now, as you know, at zero appropriation level. We ask to remain as a separate line item of title 1, and we ask the immediate enactment of the 103 scholarships.

In the statement, the material that was presented to you, I would like you to please note that we have only 2 years. We were told it was only for 2 years.

We have proven to be a successful program, ad Dr. Steele stated. We have 33 health care workers, 29 of whom are physicians. We are a success because our students are a success. But, as you know, the pool of applicants is decreasing.

As was also stated, there is going to be a large shortage, 50 percent in the Aberdeen area and 30 percent in the Billings area. And yet we have heard that we are at a 5 percent parity.

We need nurses, also. The need for nurses is acute. There is a constant turnover of physicians, thereby increasing their responsibility to provide the continuity of care on the reservations.

We have proven to be successfully, but each year most of our time and effort is spent on working on this budget. We have come back a number of times. We appreciate the help that you have given to us. Mr. Archambault has some comments to make, also.

Senator **Andrews**. Before Mr. Archambault makes his comments, we want to put your entire testimony in the record at this point, Ms. Demaray.

[The statement follows. Testimony resumes on p. 204.]

INMED
The University of North Dakota
BOX 173
GRAND FORKS 58202
PHONE 777-3037

TO:
United States Senate
Select Committee on Indian Affairs
Washington, D.C. 20510

FROM:
American Indians into Medicine Program (INMED)
School of Medicine
University of North Dakota
Grand Forks, ND 58202

HEARING DATE:
February 25, 1983

WITNESS:
Elizabeth Yellow Bird Demaray, Assistant Director
American Indians into Medicine Program (INMED)
Box 173-University Station
Grand Forks, ND 58202

Donovan Archambault
Tribal Health Director, Ft. Belknap
Ft. Belknap, MT
INMED Advisory Board Member

Dorothy Webster
Flathead Tribal Council, Ronan
Ronan, MT

We are here in behalf of INMED and its tribally appointed Advisory Board representing 100,000 Indians from the 5-state area of North Dakota, South Dakota, Wyoming, Nebraska, and Montana to request continuation of INMED and the Health Manpower Scholarship Program as a line item within the Indian Health Service budget for Fiscal year 1984. Our request is for $800,000 to include regular program and summer program support at $250,000 and $550,000 for 62 scholarships. INMED is requesting to remain as a viable means by which the special government-to-government relationship and the trust responsibilities of the Federal Government to provide adequate health care to the Indian nations can be fulfilled.

Thank you for this opportunity to appear before you. My name is Elizabeth YellowBird Demaray, the Assistant Director of the Indians Into Medicine Program, (INMED) at the University of North Dakota. I am accompanied by Donovan Archambault, Tribal Health Director of Ft. Belknap (MT) Reservation and member of the INMED Advisory Board; Dorothy Webster, Tribal Council and INMED Board member from Flathead (MT) Reservation, and other tribal representatives. We are here in behalf of INMED and its tribally appointed Advisory Board (representing 100,000 Indians from the five states of North Dakota, South Dakota, Nebraska, Montana and Wyoming) to request continuation of INMED and the health manpower scholarship program as a line item within the Indian Health Service budget for fiscal year 1984. Our request is for $800,000 to include regular program and summer programs support at $250,000 and $550,000 for 62 scholarships. During F.Y. 82 INMED had 52 students on I.H.S. scholarships; and 25 students receiving alternative sources of funding. These numbers do not reflect Summer Institute students.

We have maintained the INMED administration and summer program budget at a reduced level of $200,000 for the past three fiscal years. During this time the student numbers have increased by one-third and demands for student support services have increased accordingly. Fringe benefits, salary increases, maintenance agreements and other such costs outside the control of the Program have also increased. The items we could control such as travel, consultants, and number of personnel have been adjusted to allow us to remain within the $200,000 limit. Reductions will further curtail needed student services. Additionally, services to tribes would continue to be decreased. Students have also started to incur debts at higher levels as the Program is unable to help them with interview travel and some fees that used to be allowable expenses through the INMED budget.

We again request to remain as a separate line item for all sections of Title I so that INMED's "total program" concept and a more efficient cost accounting process be maintained. We are also attempting to secure print-outs from IHS on all INMED scholarship recipients for addtional follow-up and cost control.

INMED has proven that it can produce fully qualified medical school candidates. Twenty-nine physicians have graduated through the sponsorship of INMED; fifteen have finished residencies and are practicing medicine. All but four of these graduates have worked or are working with Indian people. Two more residents completing their training this summer have signed up with Indian Health Service for physician placement this next fall. Seven more physician graduates are expected for this spring 1983. Thus far, six more students have been admitted to medical school for fall 1983. We presently have twenty-one in medical school that started at UND and two others that received preparation at INMED that were admitted elsewhere. In addition to the primary health care providers, two nurses, one health educator, one dentist and one Master's of Public Health have completed their degrees through INMED. All five of these graduates are or have worked with Indian Health Programs. Presently, this brings the total to thirty-three health professionals who have graduated through this Program According to the IHS scholarship office, one-third of IHS scholarship recipients who graduated in 1982 were INMED students.

The faith and help from Congress each year has enabled the University and twenty-two reservations represented by INMED to work at solving the continued shortage of Indian Health Manpower. The continued committment by the UND Medical School to offer five positions annually to entering freshmen students has been instrumental in INMED's success. This shortage will become more acute with the lack of alternate sources of financial aid for all medical students, especially Indian students coming from low income families. Title IV of the Indian Education Act has been helpful to students, particularly those with a larger number of dependents. There is no dependency allowance on the Indian Health Care Improvement Act Scholarship. However, this funding source may not be available in the future. The Health Careers Opportunity Programs (HCOP) helped finance the recruitment activities of INMED, currently in its second year of a three-year cycle of program funding.

There has been discussion of "parity" of numbers of health personnel to meet Indian health care needs, and statements that IHS is within 5% of acheiving parity with other health care providers available for service to the general populations. This is hard to understand at Standing Rock Reservation where over 200 physicians came in and out during the past two years. There are no permanent physicians at Cheyenne River in a four doctor station, and only one at Standing Rock in a five doctor station. Fort Berthold has only one physician who is leaving soon with no replacements in sight in this two physician station. A 50 percent shortage of positions in the Aberdeen area, and a 30 percent shortage in the Billings area by July 1, 1983, is anticipated. These positions do not reflect the numbers needed to receive optimum care, only the numbers allocated per service area.

INMED's current graduates are signing up for IHS, but many are going to Oklahoma and Alaska. We are just starting to produce for Aberdeen and Billings. This is partly due to the necessity to break barriors in IHS to allow physicians to return to their own areas and partly due to the need for a "critical mass" of physicians in a place before it becomes easier to recruit to fill vacancies. The problem of training students from this area has been met only with the summer programs that start these students in junior high and high school. We have two third-year medical students in this category who will return to Aberdeen area eventually to practice because that is where their home is. This Spring we will graduate the first Indian Physical Therapist from UND who wishes to remain in South Dakota.

The need for nurses is as acute. The lack of Commission Corps nurses will cause a serious shortage at the higher levels of training. At the present time an acute health manpower shortage problem still exists in the Aberdeen Indian Health Service area, which is part of the INMED Program service area. Eighteen physicians and 27 nursing vacancies are being reported at this time by the Area director. The constant physician turnover has placed increased responsibility on the nurses to provide continuity of care.

With cutbacks in contract care monies, the IHS Service Units have had to meet an increased demand for services with less personnel and back-up. Poverty levels in the reservations in our area are the highest in the nation. Poverty breeds more sickness and need for health services, yet most help is being reduced not increased. When we attempt long range goals to provide Indian health manpower, via INMED and the scholarships, short sightedness abounds in the higher levels of the beauracracy as well as retaliation for a job well done. Parity of Indians serving Indians in health takes time. We are slowly improving the numbers but it takes ten to twelve years to get a person ready to practice medicine.

TOTAL NUMBER OF PARTICIPANTS
INMED 1982-1983

16 Freshman - nine (9) not receiving IHS scholarships

8 Sophomores - three (3) not receiving IHS schoalrships

7 Juniors - none not receiving IHS scholarships

12 Seniors - one (1) not receiving IHS scholarship

12 Special graduates - three (3) not receiving IHS scholarships

5 First year medical students - none not receiving IHS scholarships

8 Second year medical students - three (3) not receiving IHS scholarships

4 Third year medical students - Transferred to other schools from UND
none not receiving IHS scholarships

6 Fourth year medical students - Transferred to other schools from UND
three (3) not receiving IHS scholarships

14 Residents

15 M.D.'s who have finished residency (11 are working or have worked with
Indian Health Service or a place
with an IHS contract)

5 Graduated - Allied Health Professions

Financial Aids;

* INMED received fifty-two (52) I.H.S. scholarships for FY'82. Supplemental funding for eligible I.H.S. funded students and total funding for all other students came from Title IV, Pell Grants, B.I.A., Tribal scholarships, Loans, Workstudy, and other miscellaneous sources.

Prepared by: Kerry Hartman
Counselor/Research Analyst
Date: 2/15/83

KH/ab

The Indians Into Medicine Program (INMED) serves approximately 100,000 Native Americans of twenty-two reservations in the five-state area of North Dakota, South Dakota, Nebraska, Wyoming and Montana. An all-Indian Advisory Board appointed by the Tribal Council from each reservation of the Program service area provides direction to INMED, whose operational base is the University of North Dakota School of Medicine at Grand Forks.

INMED is an Indian medical education program whose goal is to prepare well qualified Indian health professionals who will provide health care acceptable to the Indian people. To date, INMED has graduated 29 Doctors of Medicine, one Dentist, one Masters of Public Health and two Registered Nurses (B.A. degree). The Program has also assisted an additional twenty students in their placement to other medical/professional schools throughout the fifty states. *(See Tab A)

Funding for the INMED Program has come from a variety of sources. In its beginning in 1973, INMED partially operated through a grant from the National Institute of Health (HEW). Educational and supportive services for elementary, secondary, college and medical students were provided for through this funding. The Federal Office of Economic Opportunities (OEO)provided the remainder of INMED funding. These monies provided student financial aid and supportive and administrative services for the Program.

In December 1974, the Aberdeen Area Office of the Indian Health Service (IHS) became the contracting office to administer the remaining two years of INMED grant monies from OEO. The elementary/secondary programs (no longer funded by NIH) were expanded to be included in this contract. Later, in October 1976, the provisions for administrative and student financial support for INMED were contracted with the Bureau of Indian Affairs through special appropiations from Congress.

The BIA continued administrating INMED's yearly Congressional appropriations until October 1978. At that time the Bureau felt Indian Health Manpower Development would not be best served through that agency. Again INMED was without an administrative authority to manage its Legislative appropriation. However, with the enactment of the Indian Health Care Improvement Act (PL 94-437), the INMED Program (which served as a prototype for Title I, Section 102-105) was qualified to "fit" withing the Act's legislative perview. INMED has operated through the auspices of PL 94-437 and its administrative authority, the Indian Health Service, since that time.

INMED's struggle for existance has been an annual occurance. Since 1976, INMED has been able to continue as a successful, self-contained educational support system only by the strong support and faith Congress has had in the Program. In 1980, for the first time in its existance, INMED was included in the IHS budget for that operating year (FY 81). We were also a line item in the IHS FY 82 budget but at a much reduced sum for administrative costs.

*(See Tab A)--Note various dates on charts attached.

Additionally, the scholarships monies are not longer controlled by the Program but rather approved in the Scholarship Office of IHS. As a result of the shift in control, INMED's IHS project office allowed us only four new studnets for fall 1981 entry under the FY 81* budget. Although we requested six times that many students starts. INMED could have handled the additional numbers with existing staff and Program resources-should they have received scholarships. (See Tab A) Fall 1982 was better and we received scholarships for 18 new students. The Program, through its successful track record, finally warranted becoming incorporated within the purpose and structure of an agency whose reason for existing coincides with INMED. Although that agency states its support for INMED, each year we are again not requested in the budget.

Future budget planning for federal agencies is now being considered. The Administration is looking again at government spending, and Indian Health Manpower Development is again being scrutinized. The Indian Health Care Improvement Act is up for reauthorization. We have been told that the scholarship would be phases out (as would INMED) by 1985. Congress, in its wisdom provided new scholarships for 1983.

INMED now asks the continued support of Congress to enable the continuation of one of the very few avenues by which Indian health care delivery can be so successfully impacted. INMED has proved to be successful and cost-beneficial in its attempts to meet goals and the needs of the Indian people. Administratively, INMED has kept its Program costs below 30 percent of the total Program budget.* The remaining 70 percentage of the budget is programmed for functions orientated toward direct services for the students of INMED. INMED's cost for educating one physician is well below the national average cost of $100,000 as estimated by various medical schools and medical organizations. The Program's annual student retention rate has been maintained at 80 percent or better and as previously mentioned, thirty-three health professionals have thus far graduated through the direct support of INMED. Fourteen of these students are still in residency--all but four of the rest are working for or have worked for projects funded by Indian Health Service. Three are directly employed now by Indian Health Services. Five others are doing contract work with IHS. In addition, thirty-seven students who were once with the Program continued to pursue health related fields, hopefully as a result of INMED's encouragement and support. (See Tab A)

The need for programs such as INMED remains to be as critical as it did in 1970 when the necessity for minority health professionals became apparent. The Aberdeen Area of IHS is more understaffed now than it was last year when it was 27 percent below the number of doctors needed to adequately provide services. In one year some smaller reservations have experienced a turnover of over 200 physicians. Standing Rock, with a good hospital, has had 80 different physicians in the past two years, and some were so bad they had to be released. The reason for good physicians cancelling their assignments ranged from "someone kicked my dog" to the lack of understanding of Indian culture. Another reason was the frightening reality of being the only "Doc" in an isolated medical setting with little or no auxillary staff and adequate or outdated facilities and equipment to provide the decent health care that all people deserve and that Indians have been quaranteed by their special treaty status. The GMENAC Report, which predicts there may be an over supply of physicians for the general population by the year 2000, also reports that reservations and rural and inner city areas will continue to experience doctor shortages. (See Tab C)

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*FY 81--The Program year runs administratively from March 1 to February 28, thus we are on FY 82 monies until March 1 when we start on FY 83 monies. The student scholarships cycle goes from Aug. 1 to July 31, and are currently on FY 83 funds. (See Tab B)

*Program budget--Title I, Section 102 of PL 94-437 (See Tab B)

The special relationship existing between the federal government and Indian tribes, and the "trust" responsibilities that Congress has pledged, provides for health services to the Native American peoples. INMED is a vehicle by which this responsibility to provide health manpower can be fulfilled. (See Tab C) The alternatives may include: 1. Special appropriation to be added as a line-item to the budget of IHS. 2. the inclusion of INMED within the regular budget of IHS as part of their regular program implementation; and/or 3. "Block Grants" to the twenty-two tribes represented by INMED, via the University of North Dakota. This direct appropriation is necessary in order to protect the five first-year positions for Medical School offered annually to INMED students by the University fo North Dakota School of Medicine; 4. approaching private funding sources to supplement educational cost. However, assistance from this sector has been sought and is only granted, for one year, usually. We have made budget cuts as noted in Tab B) However, it is not cost-effective to eliminate completely a program serving the needs for which it was designed, especially when those needs still exist; 5. Supplemental scholarship aid via state funding and BIA is being applied for but the present economic situation has stifled this attempt. This provides funding for perhaps a few students per year; 6. Develop a big marketing campaign to sell INMED publications which would be turned back into the Program budget. Federal regulations have been discussed on this latter point and there are still some problems remaining. The economic situation nationally may make this risky at the present time.

With the commitment and support displayed by Congress, the University and the Indian people who, ultimately will be the beneficiaries, INMED is confident that Congress will help find alternatives to assist INMED and its continued efforts to provide the caliber of health care that is acceptable to the Indian people.

TAB A

INSTITUTIONS WHERE PROFESSIONAL DEGREES WERE EARNED BY INMED PROFESSIONALS (1973-1982)

Medical Schools		Number of Graduates
University of Alabama		4
University of Arizona		1
University of California (Davis)		1
University of Colorado		5
University of North Dakota		2
University of Oklahoma		3
Harvard University		1
University of Kansas		1
Medical College of Wisconsin - Milwaukee		1
Mount Sinai		1
University of New York (Buffalo)		1
University of Texas - Southwestern (Dallas)		1
Tufts University		1
University of Utah		1
University of Washington		1
Washington University -(St. Louis)		1
Oral Roberts University		1
George Washington University		1
John Hopkins School of Medicine		1
	Sub Total	29
Dental School		
Creighton University		1
	Sub Total	1
Masters in Public Health		
University of California - Berkeley		1
	Sub Total	1
Nursing (B.S.)		
College of Nursing, University of North Dakota		2
	Sub Total	2
	TOTAL	33

Updated: December 30, 1982

INMED PROGRAM
Academic Program Participants
1973 - 1982

One hundred and sixty-nine college undergraduate students have enrolled at the University of North Dakota as participants of INMED. Following is a breakdown of student accomplishments and the "spin-off" effect INMED has had on students who left the Program for personal, academic, or financial reasons.

CATEGORY OF PARTICIPANTS — PARTICIPANT NUMBERS

Students Who Were Continued As Participants of INMED

		Direct	Ind.	Total
1.	Students presently pursuing undergraduate degrees/ pre-medical school requirements.	32	6	38
2.	Students presently pursuing a health professional degree (MODVOPP).	22	6	28
3.	Students who have completed a health professions degree:	33	—	33
	Totals	87	12	99

Doctors of Medicine (M.D.)	29
Masters in Public Health(Ph.D)	1
Doctor of Dental Surgery(D.D.S.)	1
Registered Nurse(B.S.N.)	2

Students Who Were Dismissed/Withdrew As Participants of INMED

4.	Students presently pusuing an undergraduate pre-health or math/science degree.	18
5.	Students who have completed a health or math/science degree.	4
6.	Students who are presently working in the health/health related field but did not complete the degree they were pursuing with INMED.	17
7.	Students who are presently pursuing a non-health degree.	5
8.	Students who have completed a non-health degree.	3
9.	Students who are presently working in a non-health/ health-related field but did not complete a degree.	14
10.	Students presently seeking employment and have not completed a degree.	-
11.	Students unable to be tracked at the present time.	8
	Total	169

	Number	Percentage
The number and percentage of participants who have been tracked that are associated with a health or math/science related area; either as students or as working personnel. (1+2+3+4+5+6=T)	138	82%
The number and percentage of participants who have been tracked that are associated with a non-helath career; either as students or as working personnel. (7+8+9+10)	23	17%
The number and percentage of participants who are not associated with a health, or other, career; either as students or as working personnel. (11)	8	4%
	169	100.0

*Participant numbers reflect enrollment of the regular academic programs only, and discludes Summer Institute and particum participants.

Kerry Hartman/Counselor-Research
December 30, 1982

KH/ab

[illegible] Program and Project
Title I (PL 94-437), Sections 102, 103, 104, 105
BUDGET BREAKDOWN

TAB B

DGET CATEGORY	FY - 1982		Change from FY - 1981		Increase/Decrease (+) (-)		
	Sub Cost	Line Item	Sub Cost	Line Item	Sub Cost	Line Item	
Section 102 - Health Prof. Recruitment							
(a) Personnel		$118,363.00		$130,137.00		$(-) 11,774.00	
(b) Fringe Benefits		21,602.00		21,304.00		(+) 298.00	
(c) Travel		10,000.00		25,150.00		(-) 15,150.00	
(d) Equipment		-0-		29,590.00		(-) 29,590.00	
(e) Supplies		5,470.00		10,000.00		(-) 4,530.00	
(f) Other		29,750.00		103,075.00		(-) 73,325.00	
1. Consultants	$ 2,000.00		$ 3,000.00		$(-) 1,000.00		
2. Telephone	5,500.00		6,000.00		(-) 500.00		
3. Postage	3,250.00		2,000.00		(+) 1,250.00		
4. Learning Resource Center	750.00		2,075.00		(-) 1,325.00		
5. Publications & Printing	3,000.00		11,500.00		(-) 8,500.00		
6. MCAT, NNBE, Fees	-0-		2,500.00		(-) 2,500.00		
*7. Health Prof. Seminar	-0-		15,000.00		(-)15,000.00		
*8. Program Advocates Trng.	-0-		34,000.00		(-)34,000.00		
*9. Summer Inst.-College Prog.	-0-		9,000.00		(-) 9,000.00		
10. S.I. - Jr. High Sch. Prog.	15,250.00		18,000.00		(-) 2,750.00		
(g) Direct Charges Totals		185,185.00		319,256.00		(-)134,071.00	
(h) Indirect Charges Totals		14,815.00		21,014.00		(-) 6,199.00	
TOTALS		$200,000.00		$340,270.00		$(-)140,270.00	(-) 41%
Section 103 - Health Prof. Prep. Scholarship							
Section 104 - Health Prof. Scholarship							
Section 105 - Externships							
(a) Health Professions Seminar		$ 18,468.00		-0-		$(+) 18,468.00	(+)3,468.
Direct Charges Total	$17,100.00						
Indirect Charges Total	1,368.00						
(b) Program Advocates Training		38,600.00		-0-		(+) 38,600.00	(+)4,600.
Direct Charges Total	35,740.00						
Indirect Charges Total	2,860.00						
(c) Summer Inst. - College Program		24,547.00		-0-		(+) 24,547.00	(+)15,547
Direct Charges Total	22,728.00						
Indirect Charges Total	1,819.00						
(d) Externship Program		27,648.00		10,000.00		(+) 17,648.00	
Direct Charges Total	25,600.00						
Indirect Charges Total	2,048.00						
(e) Student Scholarships		310,737.00		418,609.00		(-)107,872.00	
GRAND TOTALS		$620,000.00		$768,879.00		$(-)148,879.00	(-) 19% overall decrease

*funded under other sections of the overall Title I budget for FY - 1982

2

96th Congress | **HOUSE OF REPRESENTATIVES** | **Report**
2d Session | | No. 96-1483

INDIAN HEALTH CARE AMENDMENTS OF 1980

December 1, 1980.—Ordered to be printed

Mr. Udall, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany S. 2728]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2728) to amend the Indian Health Care Improvement Act and the Public Health Service Act with respect to Indian health care, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

That (a) this Act may be cited as the "Indian Health Care Amendments of 1980".

(b) Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Indian Health Care Improvement Act (90 Stat. 1400).

DEFINITIONS

Sec. 2. (a) Section 4(a) is amended by striking out "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Secretary of Health and Human Services".

(b) Section 4(h) is amended by striking out "composed of urban Indians" and inserting in lieu thereof "governed by an Indian controlled board of directors".

(c) Section 4 is amended by adding the following new subsections at the end thereof:

"(i) 'Rural Indian' means any individual who resides in a rural community as defined in subsection (j), who is an Indian within the meaning of subsection (c), and who is not otherwise eligible to receive health services from the service.

"(j) 'Rural community' means any community that—

"(1) is not located on a Federal Indian reservation or trust area;

"(2) is not an Alaskan Native village;

"(3) is not an urban center; and

"(4) has a sufficient rural Indian population with unmet health needs, as determined by the Secretary, to warrant assistance under title V of this Act.

"(k) 'Rural Indian organization' means a nonprofit corporate body governed by a board of directors controlled by rural Indians and providing for the maximum participation of all interested Indian groups and individuals, which body is capable of legally cooperating with other public and private entities for the purpose of performing the activities described in section 503(a).".

INDIAN HEALTH MANPOWER

SEC. 3. (a) Section 102(c) is amended by striking out the last sentence and inserting in lieu thereof the following: "There are authorized to be appropriated to carry out this section $2,300,000 for the fiscal year ending September 30, 1981, $2,600,000 for the fiscal year ending September 30, 1982, $3,000,000 for the fiscal year ending September 30, 1983, and $3,500,000 for the fiscal year ending September 30, 1984.".

(b)(1) Section 103(b) is amended to read as follows:

"(b) Scholarship grants made pursuant to this section shall be for the following purposes:

"(1) Compensatory preprofessional education of any grantee, such scholarship not to exceed two years.

"(2) Pregraduate education of any grantee leading to a baccalaureate degree in an approved premedicine, predentistry, preosteopathy, preveterinary medicine, preoptometry, or prepodiatry curriculum, such scholarship not to exceed four years.".

(2) Section 103(d) is amended by striking out the last sentence and inserting in lieu thereof the following: "There are authorized to be appropriated to carry out this section $3,510,000 for the fiscal year ending September 30, 1981, $4,000,000 for the fiscal year ending September 30, 1982, $4,620,000 for the fiscal year ending September 30, 1983, and $5,300,000 for the fiscal year ending September 30, 1984.".

(c) Section 105(d) is amended by striking out the last sentence thereof and inserting in lieu thereof the following: "There are authorized to be appropriated to carry out this section $990,000 for the fiscal year ending September 30, 1981, $1,140,000 for the fiscal year ending September 30, 1982, $1,310,000 for the fiscal year ending September 30, 1983, and $1,510,000 for the fiscal year ending September 30, 1984.".

(d)(1) The first sentence of section 757(a) of the Public Health Service Act is amended by striking out "and for each of the succeeding four fiscal years such sums as may be specifically authorized by an Act enacted after the date of enactment of this section" and inserting in lieu thereof "$9,000,000 for the fiscal year ending September 30, 1981, $10,300,000 for the fiscal year ending September 30, 1982, $11,800,000 for the fiscal year ending September 30, 1983, and $13,600,000 for the fiscal year ending September 30, 1984".

(2) Section 757(b)(2) is amended—

(A) by striking out "his" and inserting in lieu thereof "the applicable"; and

(B) by striking out "him" and inserting in lieu thereof "the Secretary".

Recommend changes to increase the effectiveness of Title I, making the effectiveness of Title I, making it a comprehensive Health Manpower Development mechanism:

Section under scrutiny: (Section numbers discussed here refer to those in "The Indian Health Care Amendments of 1980"

Section 103b (2)

(2) Pregraduate education of any grantee leading to an approved premedicine, predentistr-, pre osteopathy, pre veterinary medicine, pre optometry, or pre podiatry curriculum, such scholarship not to exceed 4 years.

Proposed changes:

Add pre-nursing, and pre-physical therapy.

Rationale:

1. Nurses and Physical Therapists are intricate parts of comprehensive health care delivery systems, both are in demand in Indian Health Service.

Justification:

1) Health care systems serving Indian people on/near reservations are currently severely understaffed in the Nursing and Physical Therapy Departments. Nurses and Physical Therapists will continue to be desperately needed in the forseeable future.

Additional Comments:

This entire segment (2) of Section 103, and the 4 year portion of the IHS scholarship that is authorized by it was utilized in FY '82 and '83 as mandated by Congress but is not being implemented during the 1983/84 school year due to lack of regulating policies being drafted. (See attached copy of initial draft of regulations for Sec. 103 (b) The loss of the "Pregraduate" portion of the scholarship is extremely detrimental to the overall scholarship program. Title I was initially desinged and later implemented to offer studetns a complete long-term dependable source of financial and academic support. Removal of this portion leaves a significant gap in the IHS financial aid scholarships.

Section under scrutiny

Sec. 105 (2) Any individual . . . period of the year"

Proposed changes

"Amend before "section 104""

Add "Section 103 and Section 104"

Rational:

Students in Sec. 103 also deserve access to this work experience program. Such experience is necessary for admittance to some medical schools and so is cost effective.

Justification:

Pre-professional students can better prepare for eventual careers when academic coursework can be coupled with clinical experiences. This enables the pre-professional to make better, more informed choices of personal strengths regarding career selection and preferences.

SPECIFICATION FOR REGULATIONS FOR
INDIAN HEALTH CARE AMENDMENTS OF 1980

(AMENDMENT--Pregraduate education of any grantee leading to a baccalaureate degree in an approved premedicine, predentistry, preosteopathy, preosteopathy, preveterinary medicine, preoptometry, or prepodiatry curriculum, such scholarship not to exceed four years)

Pregraduate Education Scholarship Program

Scholarships may be awarded for the period (not to exceed four academic years) necessary to complete a recipient's pregraduate education to enable the recipient to qualify for enrollment in a graduate education program in medicine, dentistry, osteopathy, veterinary medicine, optometry and podiatry. Examples of individuals eligable for such grants are the individuals who: (a) Has completed high school and needs pregraduate education to enroll in a school of medicine, dentistry, osteopathy, veterinary medicine, optometry and podiatry; (b) Has a baccalaureate degree and needs additional pregraduate education to qualify for enrollment in the graduate schools listed above.

Eligibility

To be eligible for a pregraduate education grant an applicant must:

(a) Be an Indian;
(b) Have successfully completed high school education or high school equivalency;
(c) Have demonstrated to the satisfaction of the Director, Indian Health Service the desire and capability to successfully complete courses of study in a pregraduate education program;
(d) Be accepted for enrollment in or be enrolled in any accredited pregraduate education course or curriculum; and
(e) Be a citizen of the United States.

Application and Selection

An application for a pregraduate scholarship grant shall be submitted in such form and at such time as the Director, Indian Health Service shall determine. An applicant must indicate:

(1) The pregraduate education program the applicant wishes to enter, (2) the graduate education program the applicant wishes to enter upon completion of the pregraduate education program, and (3) whether the applicant intends to provide health services to Indians upon completion of pregraduate education of training by serving as described in seciton 36.333 of Federal Register Vol. 42, No. 223, Friday, November 18, 1977.

Retyped from original draft received from IHS by Lois Steele, M.D./Director/INMED Program, and Jean Brandt in early November, 1981. Final regulations never received as of Febraury 1983.

Within the limits of funds available for the purpose, the Director, Indian Health Service, Shall made pregraduate scholarship grant awards for a period not to exceed four academic years of an individuals' pregraduate education to eligible applicants taking into consideration:

(1) Academic performance;

(2) Faculty or employer recommendations:

(3) Stated reasons for asking for the scholarship: and

(4) the relative needs of the Service and Indian health organizations for persons in specific health professions.

Scholarship and Tuition

(a) Scholarship grant awards under this subdivision shall consist of:

(1) A stipend of $400 per month adjusted in accordance with paragraph (c) of this section;

(2) An amount determined by the Secretary for transportation, tuition, fees, books, laboratory expenses and other necessary educational expenses.

(b) The portion of the scholarship for the costs of tuition and fees as indicated in the grant award will be paid directily to the school upon receipt of an invoice from the school. The stipend and remainder of the scholarship grant award will be paid monthly to the grantee under the conditions specified in the grant award.

(c) The amount of the monthly stipend specified in paragraph (a) (1) of this section shall be increased by the Secretary for each academic year ending in a fiscal year beginning after September 30, 1978, by an amount (rounded to the next highest multiple of $1) equal to the amount of such stipend multiplied by the overall percentage (as set forth in the report transmitted the Congress under section 5303 of Title 5, United States Code) of the adjustment (if such adjustment is an increase) in the rates of pay under the General Schedule made effective in the fiscal year in which such academic year ends.

Publication of a list of recipients

The Secretary, acting through the service, will publish annually in the Federal Register a list of recipients of scholarship grants under this subdivision, including the name of each recipients, tribal affiliation and school.

P.L. 94-437 SCHOLARSHIP ANNOUNCEMENT

HEALTH PROFESSIONS SCHOLARSHIPS AVAILABLE FOR NEW APPLICANTS

Three health professions scholarship programs operated by the Department of Health and Human Services' Indian Health Service (IHS) under the authority of the Indian Health Care Improvement Act (P.L.94-437) and the Public Health Service Act are now available in the 1982 SCHOLARSHIP CYCLE to applicants.

The HEALTH PROFESSIONS PREPARATORY SCHOLARSHIP Program for Indians (Section 103) provides scholarship support to Indian people for up to 2 years of compensatory preprofessional education which, upon completion, will enable the student to qualify for enrollment or re-enrollment in a health professions school.

The PREGRADUATE EDUCATION SCHOLARSHIP Program for Indians (Section 103 as amended by P.L.96-537) provides scholarship support to Indian people for up to 4 years of pregraduate education leading to a baccalaureate degree in an approved premedicine, predentistry, and preoptometry curriculum which upon completion, will allow the student to qualify for enrollment in a health professions school, i.e., Medicial School, Dental School, Optometry School.

The HEALTH PROFESSIONS SCHOLARSHIP Program (Section 104) provides scholarship support for students enrolled, or accepted for enrollment, in a health professions school.

Programs which WILL BE considered for the 1982 Scholarship Cycle:

Many health professions are eligible for consideration in the scholarship program, but final decisions on scholarship awards depend upon the health manpower needs of the Indian Health Service and Indian people. Thus, consideration for the 1982 Scholarship Cycle will be given to qualified applicants in the following health professions:

- Nursing
  - --BSN
  - --ADN
  - --LPN
- Medical Technology
- Medical Records Science
- Health Education
- Speech Pathology/Audiology
- Optometry
- Radiology Technology
- Medicine
- Dentistry
- Masters in Hospital Administration

COMPLETE APPLICATIONS NECESSARY

Only those persons submitting COMPLETE and ELIGIBLE applications will be considered for competition for Scholarship Program awards. COMPLETE and ELIGIBLE applications must include each of the following:

1. Official grade transcript (Most recent). "Official" means the institutional SEAL and/or ORIGINAL SIGNATURE of the registrar MUST be present. Copies will not be accepted.
2. Written evidence of acceptance from school for which scholarship is requested.

3. For Section 103 Preparatory applicants, vertification from a school official that the courses are required to meet educational deficiency and that the program represents a full load.

4. For Section 103 Pregraduate applicants, vertification from a school official that the currciulum leads to a baccalaureate degree in an approved premedicine, predentistry, preoptometry program.

5. Documentation of Indian eligibility. (BIA Certification or State-Recognized Tribes Certification).

6. Two faculty recommendations (letter of recommendation or Faculty Evaluation Forms which are included in the application kit).

7. Brief explanation of your reasons for requesting scholarship (Minimum one-half page).

Interested applicants should begin NOW to collect these documents while waiting for the Scholarship Application Kits.

COMPLETED APPLICATIONS must be received by the Grants Management Office at the applicant's IHS Area/Program Office on or before the close of business APRIL 9, 1982. Applicants will be informed of actions taken on their applications by JULY 30, 1982.

Competition for Section 103 and 104 scholarships is high because of the strong interest of American Indians and Alaskan Native people in health professions training. Therefore, awards are made on the basis of the applicant best qualified according to the criteria listed in the Final Rules and Regulations for P.L.94-437.

For more information about these scholarship programs, or to request an application kit, contact:

Darlene B. Marcellay
Scholarship Coordinator
Portland Area Indian Health Service
1220 S.W. Third Ave., Rm. 476
Portland, Oregon 97204
Telephone: (503)221-2019

DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Health Resources and
Services Administration
Rockville MD 20857

JAN 10 1983

Dear Student:

Enclosed is your continuation Indian Health Service (IHS) Scholarship Application Kit for academic year 1983-1984. The Kit includes the application materials to be used for the Section 103 Health Profession Preparatory Scholarship Program or the Section 104 Health Professions Scholarship Program.

Please complete and sign all documents and mail to the IHS Area/Program Office to which you originally applied, ATTN: Grants Management Office, on or before March 11, 1983.

Your application for continuation must include an official copy of your college level transcript through Fall 1982. As a student funded by the IHS Scholarship Program, you are required to maintain a 2.0 Grade Point Average and be enrolled in 12 credit hours for the next semester/quarter to be eligible for continuation.

You will be notified by your Scholarship Coordinator of the status of your application for continuation by June 1, 1983.

Should you need additional information, please contact your Indian Health Service Area/Program Scholarship Coordinator.

Sincerely yours,

Everett R. Rhoades, M.D.
Assistant Surgeon General
Director, Indian Health Service

STATEMENT OF DONOVAN ARCHAMBAULT

Mr. **Archambault**. Thank you, Mr. Chairman and Mr. Melcher.

I would like to speak specifically to the overall budget of IHS in zeroing out the INMED program and also zeroing out the CHR program, two very good programs in prevention.

In the INMED program, they have been more successful in developing health career people than I feel the recruitment efforts of the Indian Health Service itself have been. Why don't we take that Indian Health Service recruitment money and put it back into INMED and let them do the recruiting and developing of physicians and health service individuals?

In regard to the CHR program, I cannot understand, for the life of me, how we can ignore preventive medicine and pour dollar upon dollar into an area where we have to come and really do a band-aid effect on the health needs of Indian people on a reservation.

The CHR program, for the dollar that is invested, the return is immeasurable. We have not done a survey as to its effectiveness, just as the Indian Health Service has not done a justification for eliminating it. We feel strongly that this program should be included in the 1984 budget, along with the manpower programs that have been referred to today in earlier testimony.

In 1985, the physician replacement for Indian Health Service hospitals is going to be zero from the scholarship program, and now they are talking about going out and contracting. I submitted the GAO report that was done on the closure of nine facilities to which Dr. Rhoades referred. I believe he mentioned that there were 48 facilities. They are talking about closing nine of them. One is Fort Belknap hospital in Montana. They justified that closure by saying that there were two other facilities that were within 50 miles of the Fort Belknap facility. One facility, we do not even refer patients. In fact, we take their patients. They have one physician; we have four physicians. The list goes on. I believe they have four services available; Fort Belknap has nine services. The list just goes on and on.

I do not know how they justified some of the content of that report, either, but I would like to have somebody—hopefully, you gentlemen—look into the GAO report and address some of the things that are in there.

Senator **Andrews**. Thank you very much. Your statement will be a big help to us as we try to remedy these strange actions. We appreciate your coming down and sharing them with the committee.

Ms. **Archambault**. Thank you.

Senator **Andrews**. Our next witness is Melvin White Eagle, accompanied by David Gipp from the United Tribes Educational Technical Center.

It is a pleasure to see you again. UTETC enjoys a fine reputation. I understand that you received full accreditation. The BIA director, Ted Krenzky, who visited UTETC a few weeks ago, was very impressed with your school, as I am sure you know.

I welcome you here today, and I am looking forward to hearing your comments on the proposed budget for fiscal year 1984.

Let me again point out to you that your full statement will appear in the record, as well as the letter that you have from Mr. Manning telling of your accreditation, so that we will have them.

I understand you have Richard LaFromboise with you, so you are really doubling in all kinds of power.

STATEMENT OF MELVIN WHITE EAGLE, UNITED TRIBES EDUCATIONAL TECHNICAL CENTER, ACCOMPANIED BY DAVID GIPP, UTETC

Mr. **White Eagle**. Thank you very much, Mr. Chairman, for this opportunity to present testimony.

It has been a long day, and I will just hit the highlights of my presentation.

Senator **Andrews**. We can assure you that every word that you have written down there will appear just as though you spoke it, so if you are anxious to go out and relax, we can understand why.

Mr. **White Eagle**. First of all, we have a problem and a solution that we are requesting of the committee. The problem is that the United Tribes, which operates under the auspices of Public Law 93-638, has a contract which is negotiated with the Bureau of Indian Affairs via the employment assistance adult vocational training budget activity.

Under this system, the BIA has the authority to reduce and/or eliminate our funding internally, which makes United Tribes vulnerable at the area BIA or Washington, D.C., BIA offices with little or no consultation or ability to plan. BIA, since fiscal year 1981, has cut UTETC some 42 percent.

Mr. Chairman, because of our vulnerability under the present system, we are requesting that United Tribes be provided as a separate line item within the Bureau of Indian Affairs budget.

However, funds need to be earmarked or provided as a specific item in the BIA budget. This action would provide for greater institutional stability, which is lacking under the present system.

Mr. Chairman, our request and need for fiscal year 1984 is some $2.2 million for all basic and support operations of the United Tribes Educational Technical Center.

At this time, Mr. Chairman, I would like to have Mr. LaFromboise make a comment or two.

Senator **Andrews**. Good. Before he does, let us be sure that your full statement and the letter of accreditation to which I referred are entered into the record in their entirety.

[The prepared statement and letter follows:]

Prepared Statement of the United Tribes Educational Technical Center, Bismarck, N. Dak.; Submitted by Melvin White Eagle

Mr. Chairman, thank you for the opportunity to submit this testimony for the record regarding the United Tribes Educational Technical Center's prime contract allocation for Fiscal Year 1984.

INTRODUCTION AND BACKGROUND

The United Tribes Educational Technical Center (UTETC) is a unique inter-tribal vocational-technical school. Located on a 105 acre campus three miles south of Bismarck, North Dakota, the institution is a state chartered non-profit corporation owned and operated by the five reservations located in whole or part of North Dakota. These reservations include: Three Affiliated Tribes of Fort Berthold, Devils

Lake Sioux, Standing Rock Sioux, Turtle Mountain Band of Chippewa, and Sisseton-Wahpeton Sioux of the Lake Traverse Reservation. Control of the Center is vested in a 10 member Board of Directors comprised of the tribal chairman and one selected tribal official from each reservation's Tribal Council.

Originally established in 1969, UTETC has been in continuous operation for nearly fourteen (14) years. As the first tribally controlled residential vocational school in the nation, UTETC is committed to the economic, social and cultural advancement of Indian people. It is UTETC's philosophy to provide an environment where students and staff can preserve and transmit their knowledge, values, and wisdom to ensure the survival of Indian people now and in the future, while increasing individual opportunities to improve the quality of life. The Center seeks to initiate and sustain educational and economic programs aimed at the self-sufficiency and realization of self-determination of American Indians.

UTETC is accredited by the North Central Association of Colleges and Schools at the certificate granting level. United Tribes offers students twelve (12) vocational skill areas from which to choose. The annual enrollment at UTETC from '79 to '82 averaged 270 students from as many as 39 different tribes and 13 states. A majority of our students have never spent more than one year away from the reservations and have histories of chronic unemployment due to severe lack of jobs and educational deficits which are well below the national average. One-third have completed high school and many have other manifestations of difficulty in coping with non-Indian society, generational poverty and hardship. United Tribes, therefore, has provided an educational and cultural environment designed to fit the needs of a diverse tribal clientele. As such, the Center represents the first tangible chance for successful education and employment for most of its students.

The United Tribes Educational Technical Center is the only Indian or tribal technical postsecondary institution specifically designed to meet the needs of the American Indian family. This is evidenced by a waiting list that consistently numbers over 250 each quarter. Clearly, United Tribes serves Indian people who are either poorly served or not served at all.

Accordingly, the United Tribes philosophy is that the Indian family is the key to any success, now and in the future. While the Center serves the single student, it continues to emphasize and direct its services to married couples and single parent families. Thus, the Center provides training and services relevant to its clientele, including: an elementary school, a dispensary, a child development center, and a nursery. As such, United Tribes exists as an Indian family community with a total population in the vicinity of 300.

The United Tribes Educational Technical Center provides those institutional activities which are fundamental to the delivery of vocational education via the Center's philosophy. These include: a core of vocational programs which have been ongoing and updated throughout some 14 years; supplies and equipment for the vocations; adult education for students who wish to enter vocations which require GED's or high school diplomas; a modest offering of cultural and recreational activities that necessarily supplement the programs of any credible educational institutions; counseling and placement services for United Tribes students; support services such as the cafeteria, housing, maintenance, student campus transportation, administration, and fixed costs.

PROBLEM

UTETC operates under the auspices of Public Law 92-638, the Indian Self-Determination and Education Assistance Act. The United Tribes prime contract is negotiated with the Bureau of Indian Affairs via the Employment Assistance Adult Vocational Training budget activity. Under this system the BIA has the authority to reduce and/or eliminate our funding internally, which makes UTETC vulnerable at the Area BIA or Washington, D.C. BIA offices with little or no consultation or ability to plan. Since fiscal year 1981, BIA has cut UTETC some 42 percent.

SOLUTION

Mr. Chairman, because of our vulnerability under the present system we are requesting that UTETC is provided as a separate line item within the Bureau of Indian Affairs budget. However, funds need to be earmarked or provided as a specific item in the BIA budget. This action would provide for greater institutional stability which is lacking under the present system. Mr. Chairman, our request and need for fiscal year 1984 is some $2.2 million for all basic and support operations of the United Tribes Educational Technical Center. We can provide additional detailed justification statistics and analyses substantiating this request.

Mr. Chairman, this concludes our testimony. If further information is desired in regard to United Tribes, we would be happy to provide the same upon request.

North Central Association of Colleges and Schools,
Commission on Institutions of Higher Education,
Chicago, Ill., October 28, 1982.

Mr. David Gipp,
Executive Director, United Tribes Educational Technical Center, Bismarck, N.Dak.

Dear Mr. Gipp: This letter is formal notification of the action taken concerning United Tribes Educational Technical Center by the Executive Board of the Commission on Institutions of Higher Education. At its meeting on October 26, 1982, the Board voted "That the United Tribes Educational Technical Center be granted accreditation at the Certificate granting level; that the next comprehensive evaluation be scheduled in three years, 1984-85."

The action of the Board was based on the materials provided by your institution, the report and recommendation of the visiting team, and the recommendation(s) of the Review Committee.

On behalf of the Commission, I want to thank you and your colleagues once again for your cooperation during the evaluation process. If you have any questions about this action or about Commission policies and procedures, please write or call Dr. Steven D. Crow, Assistant Director, who is the staff person responsible for continuing to provide assistance to United Tribes Educational Technical Center.

Sincerely yours,

Thurston E. Manning,
Director of the Commission
on Institutions of Higher Education.

STATEMENT OF RICHARD LaFROMBOISE, CHAIRMAN, TURTLE MOUNTAIN RESERVATION, N. DAK.

Mr. LaFromboise. Mr. Chairman and committee members, coming from North Dakota, it is always good to see some familiar faces here. I also want to put my greetings to Senator Melcher. I have 560 allotments out in your State which I have to look after at times.

Senator Melcher. Come often.

Mr. LaFromboise. At the present time, the purpose of the testimony is, or course, to give endorsement to United Tribes Educational Technical Center in the State of North Dakota. I also had the opportunity of representing them before the North Central Accreditation System in Chicago, where we received favorable accreditation.

To be accredited as a university that gives credits to students, they must be able to provide some stability for an education. The tribes in North Dakota—that is, the Turtle Mountain Tribe, the Fort Totten Tribe, Fort Berthold Tribe, Standing Rock Tribe, and the Sisseton Indian Tribe—have come together with their assets, which are in real estate, and that is the old fort there which is in the actual assessment of $13 million. We have to try to protect that.

But I think the real interest which we are trying to protect is the education of our youth. It is the only Indian school or center in the United States that deals with the total family needs; that is, from the children until they graduate from some type of training that puts them into the job market.

It also has a unique feature to it that when the individual leaves the reservation to go to the capital city of North Dakota, they go to an urban area where they learn a lifestyle during a period of 2 years and, at the same time, receive a marketable education.

That gives them a greater chance than the old failure of the Bureau of Indian Affairs and how they tried to take our Indian people from the reservation and take then to San Francisco or Denver or somewhere else, and they did not even know how to live there. They may have known how to work there, but they never knew how to live there.

We also have to take a look at the people that are trained there at the educational center in North Dakota, and that is, 52 percent of those people are graduates of hardcore reservation unemployment people. Of their graduates, this year, in a depressed economy, 77 percent of those graduates were placed. In previous years, they have had up to, and on an average, between 85 and 90 percent placement.

I think, as a tribal leader, I look for the future of the United Tribes Educational Center to be a continued success, and I am very proud to be one of the organizing members and working members of that board and the people that are associated with it.

Senator ANDREWS. Thank you very much, Mr. Chairman.

We hope that shortly we will have good news for the continued success of UTETC out there. As you know, the Fiscal Year 1983 Appropriations Act had my amendment in the conference language to insure that 95 percent of the dollars in the line item did go to UTETC, and I hope we can continue that.

David, do you have anything to add, other than your support for what these fellows have talked about?

Mr. GIPP. Well Mr. Chairman, thank you. Certainly, if there are any additional data or information, our offices would be certainly willing to provide that.

We appreciate the committee's concern and your support of United Tribes during our past 14 years. We intend to continue to provide the best quality education to our students and our clientele.

I would like to add, however, Mr. Chairman, in addition, as a separate part of the remarks, that we are concerned about some of the other matters that were brought up today. One of them, the Indian Education Act, the title 4 issue, is very critical and important, I think to all of our people throughout the United States. I know that it is critical to our own tribes. We feel that it is very important that the proper amount of appropriations are provided and that the act is interpreted as it should be in terms of its original design.

The other additional thing that I would like to add is that the INMED program is not only just a favorite program, but it is one that I have personally worked with since its inception as a charter advisory member to the INMED program at the university, and we strongly support the continuance of that program and, again, the appropriations that are necessary to operate that program effectively.

Thank you.

Senator ANDREWS. Thank you very much. It is easy to support programs that are as well handled out in the field as yours.

We appreciate your coming, and your statement will be a great help to us.

Mr. **White Eagle**. Thank you very much, Mr. Chairman and Senator Melcher.

Senator **Melcher**. Thank you.

Senator **Andrews**. We will now have Mr. Tim Williams, vice chairman of the National Indian Health Board from Denver, Colo.

We assure you that your statement will appear in the record as if read in its entirety.

STATEMENT OF TIM WILLIAMS, VICE CHAIRMAN, NATIONAL INDIAN HEALTH BOARD, DENVER, COLO.

Mr. **Williams**. Mr. Chairman, I would like to also have you note that the testimony that we are giving is not only in behalf of the National Indian Health Board but also in behalf of the National Congress of American Indians and the National Tribal Chairmen's Association, with their health divisions of those organizations.

It is an honor, of course, for me to appear before you. This is my first appearance before the Senate Select Committee, although I have been on the National Indian Health Board for 9 years.

I would like to bring your attention to the administration's proposal, where we are concerned with their budget proposal as it was presented and as we read it.

One of our deepest concerns right now is in regard for the $70 million that they are talking about coming from medicare and medicaid and substituting funds in that to implement into, somehow, the use of their programs.

Right now, we would like this committee to understand that, at this late date, Indian Health Service is only, at this point, able to obtain $20 million, maybe a little better than $20 million, of third-party moneys. We are saying that if they are reaching the saturation point of getting that money, then how can they really expand that in this next year to a $50 million budget on top of that, and to say that they are going to use those funds for that particular purpose?

I think this is going to be a very serious matter reflecting upon the Indian communities and the Indian clinics and the Indian hospitals out there, if they are going to have to go after that, and it is already being saturated.

We have talked about the CHR program and what it means. We feel that the CHR program—in fact, all three organizations feel that the CHR program is really the backbone of our health care services out there. To just openly and blatantly say that we had to make a budgetary decision and we are going to cut it off, that would be like, to me, a non-Indian community going out and saying: "We are not going to give you doctors any more."

A lot of our CHR's have been trained, not only to deliver preventive health care medicine but, in some instances, by radio communication, they actually deliver babies and do a lot of other things in the rural communities where people cannot even get in to doctors. To take that CHR program now and to say that we just are going to whack it off or cut it off and that it is not going to fulfill the purpose for which it was intended, I think is terrible.

In regard to the manpower situation and dealing with doctors and medicine, we have talked many, many years about this. It is more than just putting an Indian doctor on an Indian reservation to deal with Indians. The idea of the whole thing is that, when we have gone to white doctors, the white doctors do not relate to our families like the Indian doctors do. They do not understand the protocol in Indian families in dealing with medicines and dealing with doctors. They do not understand the family ties.

The white man, for instance, in his hospital, sends his patient to the hospital. He puts his patient out there and says that isolation is the best method to completing the cure. What I have experienced in Indian communities is that the family ties are closer together during that time of stress, and they feel that the cure is more prominent when somebody cares and that patient sees that somebody actually in the family cares whether they live or die.

And so we are saying that when we go to white doctors, they just do not understand what we are talking about at all when we say:

> Look, we have to be surrounded by our families to get well. We can't get well if you isolate us and all we see is non-Indian people every day who are punching us with needles and sticking tubes in our arms, and we do not even understand what they are doing to us.

So, we say that the Indian physician is really needed in the manpower area.

In regard to the urban Indian cause, again, people do not understand. When we go into urban areas as Indian people, we go there and we sit out and we go to what they call a block grant situation. Well, the Indians are the last to participate in a block grant in the State. They are the last to participate when those block grants are handed out to counties. And so, when they go to what is supposed to be a justifiable remedy to these budget cuts out there, we are the last ones. When we get there, we are told:

> There is no money left for you guys. There was not enough money to cover the other needs of the other people, and there is just no money for you.

And so the block grant system, while it sounds feasible for the rest of the Nation, is not feasible in the Indian community.

Second, in the urban areas, we have found that when you go into the welfare offices, if you are placed on the welfare role, you are the last because the welfare department says there is no money established for Indians at this level. They say:

> You Indians are taken care of by the Indian programs or the Indian Health Service or the BIA; why don't you go back home?

Then you sit, and you are the last to be entertained by a doctor. They tell you, "I'm sorry, we did not have time for you today; you can come back tomorrow or next week." Or they will make another appointment for you. By that time, the person becomes so frustrated that he just does not go any more. So, they just go without the medical care in the urban areas. So, we are in support of taking care of these people in urban areas.

All my life as an Indian, I have experienced working in a shamble of a building as an Indian, and I say as an Indian, how can I ever take pride in being an Indian in this country that has so much to offer everybody in the world? I sit there and I go in, and it is hard not to be emotional when you are an Indian, and it is hard to stress and talk about situations that we deal with every day, and to come before this Senate Select Committee or whomever we have to come to and feel like beggars in our own country, to ask for money to help.

I know that you may have heard this testimony many times. But it is hard to not sound as if you are chalked off as being bitter. You are this way or you are that way, and that is the way they write you off.

I have been 16 years as the chairman, and 11 of those 16 years in California, as the chairman of the board of directors for region 12 in what they call Indian Health Services. Indian Health Service divides up in 12 regions, and they have an area representative from all 12 which formulates the National Indian Health Board.

I have been involved in this thing for 16 years. I know what is plaguing my people out there. To see the distress of the Indian people at home and then come here and hear people who have—I heard a man say how long he was in Indian education or in the education field. He has been in 5 months, and he is laying down a budget for the rest of the Nation. He has been in the office for 5 months. I have been 16 years out there looking at the deplorable conditions of the health of our Indian people.

I would hate to go back home and not take anything back from what was called or referred to as the Great White Father and to go back home and tell those Indians, "I am sorry; there is no more help. They have done all they can do for us. We are going to have to master it some other how." Maybe that is how the Indians got the word "how" applied to them. Instead of saying "hello," it is "how." How we do anything?

We cannot work without construction money. I remember, just going into an office, there was never any matched furniture in any office I ever went to. Some of the office buildings that our Indians had to work out of had paper cardboard stuck in the window, and you were lucky to have a phone. They sat on boxes and what have you.

I have the Indian Health Service tell me that, now, because we are giving some kind of adequate services to our Indian people, they claim that we are getting Cadillac services now. I ask what Cadillac services are. I never heard of that description before. What is a Cadillac service? Do you mean to tell me that there are Rolls Royce services that we have not touched yet, maybe? What we are getting, Volkswagen services?

They say contract health care money is going out. I would like to have Indian Health Service define contract health care service money when they say contract health care service money and what it means. My understanding of contract health care service is when an Indian has a toothache, they pull the tooth. They do not replace it. If an Indian had 20 toothaches, he would loose 20 teeth, and he would be gumming his food the rest of his life.

Now, if that is Cadillac service, by providing him dentures, then what are we talking about when we are talking about nutrition, and we know that dental work is one of the most important things you can have in affording nutrition to the body.

They do not know what it means for a white spouse who is carrying an Indian baby, whether it has any effect on the Indian baby.

All they are concerned about is the mother. Well, we are concerned about our Indian children that have white mothers, and we are concerned about our Indian children who have white fathers. We are concerned about the whole family routine of an Indian family.

I know it is late, and you have been good enough to give us this time to express our concerns. We just do not see how things are going to work when the administration has whacked into these budgets, just blatantly whacked into them. It was a learning process for me to sit and hear you guys question them today and have them say, Well, we had to cut someplace, so we just cut that off; and we had to make a cut some other place, so we just cut that off. It sounds like, pretty soon, they are just going to cut off everything.

I just do not know where to go from here on without you support and your understanding. I was pleased to hear the questions coming from both Mr. Andrews and Mr. Melcher, Senators. Both of you expressed a lot of the questions that I would have liked to ask those guys, myself.

What else can I say? Do you have any questions for me?

Senator MELCHER [acting chairman]. Yes, I do, Mr. Williams.

You have had quite a bit of experience—16 years is not to be sneezed at—in dealing with the problems of Indian health on a high level of policymaking.

The community health representatives program has been an outstanding success story for Indian health in Montana and, I suspect, in other parts of the country.

During a rather long era when Indian Health Service has not seemed to actually progress as it should in delivery of health care to the people themselves, the CHR program has just stood out all by itself. It has been exceedingly successful.

I am always astounded when I do not hear it praised by the administration, regardless of which administration it is or which parties are involved. But I have been dumfounded in the last couple of years to see it zero-budgeted in the President's budget.

Has it not been cost effective? Has it not cut down the requirements of Indian patients going to the hospital? Has it not really paid off big?

Mr. WILLIAMS. I think it has paid off twofold and more. The Indian CHR's are really trained to depict things that go on out there, and they cut off a lot of unnecessary travel; they cut off a lot of unnecessary displacement of your medical forces because they have already referred it to its proper channels.

They also go into the homes and relate preventive medicine care to the Indian families. They are almost a family member of the families that they are associated with, so that they are able to sit down with those families and talk about preventive health care procedures in the home that prevent diseases starting in the very first place.

I does not do any good, to me, to rush an Indian off to a hospital and take care of the disease if he is going to return home and the next week be down with the same disease that he just came away from.

And so the CHR's are able to go to the homes and start that implementation of that correctiveness there in the house, there with the particular family, or there on the Indian reservation, wherever the disease may be cropping up. They are really, sometimes, the first contact with the medical patient.

Senator **Melcher**. The aspect of preventive health, which should be our most important aspect with anybody in any type of health care service, seems to me to be best implemented through CHR's. I have always been at a loss to understand why it has not assumed its proper role in IHS. Has it not been, in your experience, an outstanding success in preventive health?

Mr. **Williams**. It has been, and it is still growing. I believe that it has the possibility of growing into a real service to the Indian people that will delete a lot of the expense at a higher level.

I heard Dr. Rhoades say today, something about stepping up into higher care for Indians. Well, if we took care of the Indians in the very beginning, just as I explained with the denture problem, if we took care of their teeth when they are children and gave them good teeth, we might not have a nutrition problem with that member later on in life, when taking care of him is going to be more costly to everybody. That could have been corrected right at the beginning. The CHR's are already implementing that type of preventiveness in the homes.

Senator **Melcher**. I feel very confident that in that action by Congress on the appropriation bill the CHR's will be a line item and will be funded, at least to the level of last year, which is this current fiscal year that we are in, $25 million.

But I prefer not to have to argue this every year. Perhaps there can be a demonstration through statistics of the success of CHR's. We often forget how valuable our communicable disease center has been in Atlanta, through many mechanisms. One of the outstanding mechanisms they have in their success in disease control has been the keeping of statistics. I am going to ask them to provide me with what statistics they have available that would indicate that CHR's, where they have been operating over the past several years, if enough data have been accumulated to demonstrate that in preventive health it is better taken care of where there are CHR's than where they are not, and where they have not been as active as they have been in other areas and other reservations.

So, perhaps through statistics, we can prove a point with IHS, and, instead of having to be confronted with a President's budget that has them zero-budgeted, we will be presented with a President's budget that recognizes their importance, and we can continually build on that, because it is a point of building for Indian health, and perhaps the most significant point that we have seen over the last half-dozen years. Their success, I think, has been very great.

Mr. **Williams**. I have a concern about Indian Health Service right now, because this attempt is another way of cutting things and cutting expenses. What I have observed, in the last year or so, is that the Indian Health Service also intends to eliminate funding of the National Indian Health Board, because that is where the National Indian Health Board gets it source of funding.

My question to Indian Health Service, then, at that point is, how on Earth are they going to get any imput from the Indians in the area, because they do not get that from their area directors who are Indian Health Service employees. No employee is going to go there and say that they are not doing the best kind of service in their community. There is no way to get a malfunction, that is occurring in your area, back to the headquarters without going through the area boards and then going to the National Board to get it heard at the national level so something can be done about it. So, it is like eliminating the voice from the Indians out there to put any pressure on that service to the Indian people to do their job.

So, I would hope that Dr. Rhoades would reconsider that as an avenue to hear from the grassroots people at his level, to determine what kind of service that branch is giving to the Indian people, whether it is HHS or HSA or whatever they call themselves now, who is his boss, in determining under the administration that the administration would look for the avenue of serving our Indian people.

While they are talking about giving tribes the right to run their own business, that might be well and good. But, at the same time, they are cutting the Indians off from the only avenue which they have to report to the higher-ups when there is a malfunction, and there are malfunctions.

Senator **MELCHER**. Well, I think the committee is indebted to you for raising that point. We have never been advised that there was any proposal of not funding the board and not utilizing the board's input. I think your point is very well made. It is one of the things that we depend upon here in Congress as a measuring stick as to how we improve the job for IHS, and we do not want to lose that measuring stick. We want the board to continue and we want it funded by IHS. I am glad you raised that. We will check into it.

Mr. **WILLIAMS**. One last thing before I leave. I feel that if the National Indian Health Board is going to be cut off, the next to be cut off will be the area boards, and then it will siphon down to the local boards, to the hospitals, and to the clinics, and pretty soon there is no Indian imput into any of those things, and that was what the law was all about in the first place. It was to get Indian input in directing their health care services.

Senator **MELCHER**. Absolutely.

Mr. **WILLIAMS**. We will be right back to zero once again, starting all over, trying to find out how we get to tell our Great White Father how to deal with our Indians and how to cure us.

I thank you for your time. Unless you have more questions for me, I really appreciate your staying over and hearing our plea.

Senator **MELCHER**. I appreciate your comments very much, Mr. Williams, and thank you very much.

[The prepared statement follows. Testimony resumes on p. 219.]

PREPARED TESTIMONY OF THE NATIONAL INDIAN HEALTH BOARD, THE NATIONAL CONGRESS OF AMERICAN INDIANS, THE NATIONAL TRIBAL CHAIRMEN'S ASSOCIATION, SUBMITTED BY TIM WILLIAMS, VICE CHAIRMAN, NATIONAL INDIAN HEALTH BOARD

On behalf of the membership of the National Indian Health Board, the National Congress of American Indians, and the National Tribal Chairmen's Association, I wish to express my appreciation to the Committee for this opportunity to present our concerns on the Administration's proposed fiscal year 1984 budget for the Indian Health Service.

Our testimony will address what we feel are several fundamental weaknesses with the Administration's proposal. First, however, we wish to express our concern with the overall trend of health care for Indian people in recent years. Although there have been slight increases in the IHS budget in the last 3 years, the agency's capability to deliver quality health care has declined substantially. Last year, for example, IHS estimated that its capacity to deliver services was reduced by more than $50 million from the 1981 level, and in the last few weeks of the fiscal year IHS hospitals and clinics were nearly forced to shut down due to inadequate funds. Medical inflationary costs have cut the purchasing power of contract care by more than 30 percent in recent years. In addition, as reductions are made in other state and federal health programs, more and more Indian people are turning to IHS for their health care, placing increasing pressure on medical staff and other resources that have already been pushed to the breaking point.

As a result of these basic budgetary problems, Indian tribes are being asked to consider major policy changes—such as the institution of new eligibility criteria and the elimination of certain health services—that could drastically alter the way health care is delivered to our people. As Interior Secretary James Watt so ironically pointed out in his January 18 statement, the health care status of Indian people is the poorest in the United States, and we simply cannot afford the cuts that would occur by reducing the service population or by eliminating specific services. We urge the Committee to continue its efforts to address the tremendous unmet health care needs of Indian people and to fulfill the intent of the Indian Health Care Improvement Act by providing the resources necessary to deliver quality care to all Native Americans.

The recent pressure on IHS resources has become a major obstacle for tribes attempting to contract for their health programs under Public Law 93-638, the Indian Self Determination and Education Assistance Act. We ask that this Committee give particular attention to tribal contracting needs by assuring the availability of funds for indirect costs and for cost-of-living increases for employees under tribal contract.

Further, we request that the Committee continue its efforts to improve the existing IHS management structure and to insure that health services are delivered to Indian people in the most cost-effective and beneficial manner possible. We understand, for example, that a recent GAO study on the IHS contract care program indicated that administrative changes in that program could result in a savings of $10-20 million. We also ask that the Committee address the need for increased tribal and consumer involvement in the Indian health care delivery system by allocating a special line item for the operation of area Indian health boards and the National Indian Health Board. Through such organizations, which represent the concerns of their constitutent tribes, IHS administrators can obtain the community-based advice and counsel needed to provide the highest quality health care to our people.

We now wish to turn our attention to several specific items within the Administration's fiscal year 1984 budget request for the Indian Health Service.

THIRD PARTY REIMBURSEMENTS

A highly unsettling aspect of the President's budget is that it counts upon some $70 million in Medicare, Medicaid, and other third party reimbursements. We understand that at best IHS expects to collect $20-$30 million in third party reimbursements in fiscal year 1983, not $37 million as the Administration estimates in its justification. Expectations that this amount could be increased by $40-50 million next year are clearly unrealistic. Until now, IHS has pursued collections only from Medicare and Medicaid. Medicare collections are not expected to increase as IHS estimates that it is fully accessing current potential Medicare reimbursements. The policy of not seeking reimbursements from other third party payors has been tied to a fundamental tenet of Indian health services policy: that health care is offered to Indian people as part of the Federal government's trust responsibilities. It would require major legislation to change the traditional arrangement of service availability to all eligible Indians.

For example, in order to initiate reimbursement by private insurers of IHS beneficiaries, customary clauses in private health insurance policies excluding reimbursement to Federal facilities may require modification by Federal statute. And, according to the Administration, all Indian beneficiaries, not merely those with health insurance, would have to be billed. This is an administratively complex arrangement and likely a costly one to put in place. Increasing Medicaid reimbursements would require cooperation from the states and some changes in Federal regulation. Also, it seems to be a poor time to look to increased collections when, due to shrinking resources, states are applying Medicaid eligibility criteria very strictly and others are reducing the scope and level of services offered.

Aside from these issues, such a proposal to offset appropriations with Medicare and Medicaid reimbursements reflects a misunderstanding of the original intent of these funds. As specified in the authorization for these collections (the Indian Health Care Improvement Act), these reimbursements are dedicated to maintaining the quality of IHS facilities and services at accreditable levels. If the proposed offset were implemented, an immediate reduction in service would result. Consequently, facilities accreditation, and thus the future receipt of these funds, would be jeopardized.

CLINCIAL SERVICES

We are gravely concerned with the heavy dependence of the Administration's clinical services budget on projected third party reimbursements. Over $62 million of the $70 million projected reimbursement total is assumed for use in the hospitals and clinics line item alone. Based on an inadequate overall IHS budget request and the inaccurate assumptions pertaining to reimbursements described above, we believe there would be significant reductions in health services to Indian people under this request.

Recent funding levels have already had a severe negative impact on the IHS and tribal health care delivery systems. *Because of decreased staff, unpurchased and/or unavailable equipment, and dangerously low supply levels, IHS' professional staff have indicated that they are no longer able to provide the level and quality of health care which meets basic personal and professional standards.* In addition, te limitation of Indian contract health services funds for only "urgent" and "life-threatening" conditions means that patients requiring care must wait until their condition becomes life threatening. This not only represents a denial of services but increases morbidity, thus unnecessarily adding to the risk of life threatening medical conditions.

In a number of areas, IHS has been forced to close or cut back the number of hours its filed clinics are in operation. Elsewhere, hospital wings have been closed or the number of beds reduced because the staff to service them were either unavailable or not affordable. Staffing at most IHS facilities is at a critical level with little or no reserves. This reduction of staff and the inability to recruit, caused by budgetary constraints, have shifted the burden of the workload to remaining staff with a devastating effect on morale. The increased workload, longer waiting times for patients, and the postponement of care result in medical problems which may become emergencies or irreparable conditions. These factors also cause severe problems in the recruitment and retention of physicians, nurses, medical technologists, and all other health professionals. IHS currently has at least one hospital with a permanent physician staffing level of *zero* and other hospitals that are staffed at less than 50 percent of the authorized staffing level.

Over the last several years, IHS has experienced a loss of three to four percent annually in the mandatory rate of increase necessary to offer services of the same quality to the same population. Next year, according to IHS estimates (even assuming a health care inflation rate as conservative as 5 percent), its ability to provide or purchase clinical services will be reduced by $35 million from this year after the Administration's projected increases have been realistically accounted for. The proposed fiscal year 1984 funding level and likely shortfall would drastically reduce the total range of services provided by the IHS and tribal health delivery systems as well as escalate the crisis in IHS' ability to retain its health professionals. We find this completely unacceptable.

COMMUNITY HEALTH REPRESENTATIVE PROGRAM

The Community Health Representatives continue to be an integral part of the tribal health care delivery system. The administration is, for the second year in a row, seeking elimination of the program, characterizing it as an activity "not central to providing medical services on reservations." However, the real nature of the CHR program is better stated by the Indian Health Service National Council of Clinical Directors. Close to 300 individual members of this group (composed of all IHS physicians) have made a plea to the director of IHS that "closure of the Community Health Representative Program would have a severe negative impact on our ability to provide a comprehensive health program for the Indian people."

They cite the following ways in which the CHRs' work complements the Indian Health service Program: CHRs work at the home level with Indian people and provide direct health care; CHRs provide culturally-oriented health education and strongly supplement IHS preventive health programs; CHRs assist health providers in gaining access to patients in remote locations and facilitate accessibility of Indian

Health Service facilities to the Indian patient; and Physicians in the Indian Health Service are responsible for the health program at each service unit; surveys have recently identified the lack of support services as a major frustration in achieving the level of care each physician desires; the CHR program is a strong service at the local level; and the absence of this program would adversly affect the ability of physicians to achieve a successful health program.

In appropriating funds for the CHR program in fiscal year 1983, the conference committee demanded a more clearly defined program. From what we have observed, Indian Health Service working in conjunction with the tribes, is responding to the Committee's directives. Earlier this year a national task force comprised of representatives from several national Indian organizations as well as senior clinical and administrative staff of IHS, worked together to establish clear guidelines and goals suitable for the program as it exists today.

The group cited the previous method of CHR resource allocation based solely on population as inadequate and recommended that future allocation be based on three major parameters: individual program compliance with "scope" criteria; individual program compliance with "effectiveness" standards; and the relative unmet community health needs among tribal communities. Further, the task force recommended that no more than 15 percent of the CHR program resources be expended for administrative management, supervisory training, or other non-direct service support. In other words, 85 percent or more of CHR resources should be expended to provide patient or commuity health services. The task force thought that to date individual CHR programs have complied with the broad national directives that have been in existence to guide CHR program activities. However, they recommended that continued funding of CHR programs will be contingent on compliance with contract specified performance criteria and the relative unmet community health needs of tribes.

To address past criticism that the CHR program has not been fully accountable, the task force recommended development of a uniform mandatory reporting system for all programs. Reportedly, since completion of the task force's work, IHS has developed a plan of action for design and implementation of specific management systems including development of an evalution methodology and resource allocation model.

We ask the Committee to bear in mind that the CHR program is operating with total appropriations of $29 million for fiscal year 1983. $25 million was included within the program's line item and an additional $4 million, which finances the Emergency Medical Services portion of CHR activities, was directed from IHS' hospital and clinics budget. The Administration is seeking elimination of the entire CHR appropriation including the $4 million specified this fiscal year for Emergency Medical Services. We can only assume that the conference committee chose to provide separately for CHR EMS activities in order to assure continuity of this clearly vital activity. (Since CHR's provide more than 50 percent of the ambulance and first responder staff now working on reservations its loss would virtually eliminate these services.)

We urge continued funding of the CHR program for at least the current $29 million level and indeed encourage the Committee to consider the National CHR Association's request of an increase to $36.3 million which would allow a modest cost of living increase for these dedicated community health workers for the first time in four years. Continuation of these health care services and essential preventative health activities are critical to the health of Indian people. Additionally, in line with a recommendation of the CHR national task force, we suggest that IHS be directed to shift the CHR budget line item from the "Preventive Health" category to the "Clinical Services" category, and that its line item status be maintained.

INDIAN HEALTH MANPOWER

IHS continues to suffer from a critical shortage of health professionals, and we therefore opposed the Administration's proposed reduction in the Indian Health Manpower program. In fiscal year 1983, we estimate that the Aberdeen area will be 50 percent deficient in the number of doctors needed to provide adequate health care; the Billings area will be 30 percent below need and Oklahoma will have a 20 percent deficiency. The shortage of nurses is even more severe. IHS' sources for these and other health profressionals are rapidly diminishing due to the overall reductions in education and other health professional programs. Indian students have relatively little outside health scholarship assistance available to them. We estimate that if current trends continue IHS will have virtually no health professional resources to draw upon by 1987.

Under the Indian Health Manpower scholarship program, we have seen significant improvements in the number of Indian health professionals serving our people. We believe this program is the most reliable source of future Indian health professionals and the best way to protect against manpower shortages in the years to come. We therefore ask this Committee to restore the $1.5 million in funding the Administration has proposed to eliminate in fiscal year 1984 so that new scholarships will be available for Indian students under sections 103 and 104 of Title I of the Indian Health Care Improvement Act. We also urge the Committee to continue the section 102 recruitment programs at their 1982 levels, particularly the Indians Into Medicine program and the Master of Public Health programs.

URBAN INDIAN HEALTH PROGRAM

As reflected by the 1980 Census, approximately 50 percent of the American Indian population resides in off-reservation areas. The U.S. government played a key role in achieving this result through its pursuit of relocation in the 1950's and 1960's. But the government's ideas about Indian assimilation failed to materialize and urban Indian people remain a distinct population group with distinct problems. In establishing Title V of the Indian Health Care Improvement Act, Congress recognized that urban Indians experience a disproportionate problem of access to health services and their health needs were not being met by other resources. The 37 programs now funded under the urban Indian health activity are engaged in a variety of health care functions, ranging from the provision of outreach and referral services to delivery of comprehensive ambulatory health services.

The fiscal year 1984 budget request proposes elimination of the urban health program under the assumption that non-reservation Indians will be eligible for services funded with alternative resources, such as block grants to states and other state and local funding for health services. However, this has not been the case; state and local resources for health and social services have been rapidly diminishing, and there is no reason to expect the situation to change in fiscal year 1984. The urban health projects are finding that community health clinic funding, National Health Service Corps assignments, and Medicaid eligibility are all shrinking while at the same time block grant funding to Indians is limited to tribes and/or prior recipients.

The urban health programs' use of its $8.2 million appropriation (along with what other resources they have secured) to serve an estimated 300,000 population makes it one of the most cost-effective health care delivery mechanisms within IHS. We support the urban Indian health projects in their request for $9 million to allow program continuation at its present level.

CONSTRUCTION

Once again the Administration has failed to request funds needed for the planning and construction of Indian health facilities, despite the clearly documented need for new and replacement hospitals and health clinics on Indian reservations. Many of the existing IHS facilities, such as the half-condemned hospital serving the Rosebud Sioux Reservation, are antiquated and require major renovation or replacement. Despite such conditions the Administration continues to ignore this need for facility planning, construction, and maintenance. Indeed, the Administration clearly demonstrated its disregard for Indian health facility construction last year with its requests to "reprogram" fiscal year 1983 hospital construction funds to help pay the cost of salary increases mandated by the federal pay act. We are dismayed to learn that the Administration has proposed a similar transfer ($6.7 million for first phase construction of the hospital at Browning, Montana) to help cover the 1983 pay increase for IHS employees.

We commend this Committee for its past support of IHS construction activities and for its efforts to insure that the planning and construction of Indian health facilities is carried out in a rationale, systematic manner. Under the direction of Congress, IHS has in recent years built health facilities based on a construction priority system where the facilities are ranked according to the unmet health needs of the Indian and Alaska Native population. We urge the committee to continue this systematic approach by allocating funds in fiscal year 1984 for the following:

1. Hospitals—In recent years planning and design funds have been appropriated for hospitals at Crownpoint, N.M.; Kanakanak, Alaska; Sacaton, Arizona, and Rosebud, S.D. We are disturbed at the Administration's continued efforts to hold up these funds, which have resulted in unnecessary and potentially costly delays in the planning and construction of these facilities. We ask that the Committee allocate first phase construction funds for these projects, as well as funds to begin construction of personnel quarters in order to assure adequate housing for medical staff

when these facilities are completed. Further, we ask that the Committee provide planning and design monies in accordance with the hospital priority ranking list for hospitals at Anchorage, Alaska; Wagner, S.D., and Pine Ridge, S.D.

2. Outpatient Facilities—We request that the Committee provide planning and design monies for outpatient clinics at Kyle, S.D.; Fort Thompson, S.D., and Wolf Point, Montana. These are the three top-ranked facilities on the outpatient clinic priority construction list.

3. Modernization and Repair—We urge the Committee to reject the Administration's request to reprogram the $6.7 million in construction funds for Browning, Montana in 1983 and that an additional $4.6 million be appropriated in 1984 to complete construction of this hospital. We also ask that the committee allocate $1.1 million for modernization of the facility at Mt. Edgecumbe, Alaska.

SANITATION FACILITIES

Finally, we are concerned about the Administration's failure to request funding for sanitation facilities in fiscal year 1984. The IHS sanitation program provides essential water and sewage facilities for Indian homes and communities in order to maintain environmental standards and improve the quality of health for Native Americans. These sanitation facilities—which are a major part of IHS' preventive health efforts—have contributed significantly to the reduction of infant mortality, gastroenteritis, and other environmental health hazards. Despite the success of this program, the Administration has seen fit not to request sanitation funds for 1984. We estimate that the total amount required for IHS to construct water and sanitation facilities for HUD and non-HUD homes that will be initiated and/or completed in 1983-1984 is $47 million and we urge the Committee to address this important need.

This completes the testimony submitted by the National Indian Health Board, the National Congress of American Indians, and the National Tribal Chairmen's Association. We greatly appreciate this opportunity and we stand ready to assist this Committee in any way possible in implementing the recommendations made in our testimony.

Senator **MELCHER**. That concludes our hearing this afternoon. The hearing is recessed.

[Whereupon, at 6:20 p.m., the hearing was recessed to reconvene the following day at 9:30 a.m. in room 628, Dirksen Senate Office Building.]

FISCAL YEAR 1984 BUDGET

FEBRUARY 25, 1983

U.S. SENATE,
SELECT COMMITTEE ON INDIAN AFFAIRS,
Washington, D.C.

The committee met, pursuant to notice at 9:30 a.m., in room 628, Dirksen Senate Office Building, Senator Barry Goldwater (acting chairman) presiding.

Present: Senators Goldwater, Murkowski, and Melcher.

Staff present: Paul Alexander, staff director; Timothy Woodcock, former staff director; and Peter Taylor, general counsel.

Senator GOLDWATER [acting chairman]. The hour of 9:30 has arrived, and we will come to order.

Our first panel this morning is Mr. Ivan Sidney, chairman of the Hopi Indian Tribe; Mr. Edward Begay, vice chairman of the Navajo Tribe; and Mr. Benny Cohoe, executive director of the Ramah Navajo School Board. We will have you come to the witness table to begin our hearing.

We want to hear testimony on your general needs, particularly related to education. Please begin in any order that you like.

STATEMENT OF EDWARD T. BEGAY, VICE CHAIRMAN, NAVAJO TRIBE, WINDOW ROCK, ARIZ., ACCOMPANIED BY FRANKLIN R. FREELAND, ASSISTANT DIRECTOR, NAVAJO DIVISION OF EDUCATION

Mr. BEGAY. Thank you, Mr. Chairman. My name is Edward T. Begay, vice-chairman of the Navajo Tribal Council. With me this morning is Dr Franklin Freeland, assistant director of the Navajo Division of Education.

Members of the select committee, we appreciate this opportunity to appear before you to express the concerns of the Navajo Nation about the proposed budget for Indian education for fiscal year 1984 and the budget proposal for other programs affecting Indian education.

Education has been and remains a critical concern of the Navajo people. The right to education for our children was included in the Treaty of 1868, and it has always been understood by our people as an essential element of Federal Government trust responsibility.

Unfortunately, the budget recommendations for Indian education do not live up to this assurance. The budget ignores or fails to take into account the fact that Indian education is a Federal responsibility. It has been a Federal responsibility since the time of our treaties.

The Federal responsibility for Indian education is founded upon treaties, upon the trust relationship, upon Federal law and upon total impossibility of funding it any other way.

The proposed Federal budget for the Bureau of Indian Affairs school operation continues the recent trend of squeezing more and more functions into fewer and fewer dollars. The Bureau of Indian Affairs budget for school operation is down. Last year, more than 17,000 Navajo students were enrolled in Bureau of Indian Affairs funded schools. This includes 52 BIA operated schools, 11 community controlled contract schools. Enrollment was up over 500 students from the previous year according to the BIA figures.

The Indian student equalization formula, the basic fund for operating BIA funded schools, has had no significant increase in per funding for some time now. Transportation costs, computed under a separate line item, also have declined.

BIA school operation has in the past provided funds for BIA school board training. The funds in recent years have not met the minimum set in the regulations. Now they are proposed for a cut to $25,000, the estimated cost of a training manual. Any additional training is supposed to be paid for out of ISEF.

Community controlled contract schools funded through BIA school operations also have special concerns in the proposed budget. These schools very much need an enhanced and rationalized process of funding overhead costs.

What is troublesome about the impact aid appropriation is that the administration appears to think that the budget for impact aid is so adequate that it can absorb additional programs such as those funded in title IV.

We have checked with the public schools on and near the Navajo reservation. They are unanimous in stating that this is not true.

Impact aid construction funds at least appear in this year's budget. However, the sum of $10 million does not meet the critical construction needs of reservation public schools.

The administration budget is particularly harsh on supplemental programs. There seems to be some notion that supplemental means unnecessary. This is not true. Supplemental programs exist because there are supplemental needs which must be met if our children are to receive an adequate education.

The title IV program, targeted for elimination, is a critical program for our Navajo children. It serves over 37,000 Navajo children in public schools and contract schools on the reservation. It serves an undetermined number of Navajo children in urban public schools whose parents have been forced to move away from the reservation in search of employment.

The Johnson O'Malley program is not scheduled for any significant increase in funds despite the proposed elimination of title IV and the proposed transfer of the Alaska schools. On the Navajo reservation, Johnson O'Malley funds are already stretched to the limits. The program cannot pick up existing title IV activities.

Title VII is targeted for recision of some funds and for a substantial reduction in funds for next year. Already, title VII serves only a minority of eligible Indian students because of its small size. Program restrictions further limit its availability. We encourage you to continue it at at least the current level or, hopefully, to increase its funding.

Chapter I funding proposals have us frankly confused. Chapter I funding to local education agencies is targeted for a big recision this year and a modest increase next year. We hope that chapter I will be funded at an enhanced level so that it can more adequately meet its own programmatic needs.

Chapter II funding has been a bit of a disappointment. BIA funded schools have been found ineligible for it. The problem with chapter II highlights a general concern with the blocking funding of education programs to States.

If no provision is made for setting aside some part of block funds for BIA and contract schools, either through the BIA or through direct tribal contracts, these schools may lose out on programs which they need and from which they now benefit.

Public Law 94-142 may undergo some regulatory revision this year in addition to budget changes. We encourage Congress to approve enhanced funding for this program and to encourage by legislation by regulation procedures where by Public Law 94-142 funds could be contracted directly to Indian tribes for BIA funded schools within the reservation.

A stronger commitment is needed to postsecondary education. Funding for tribally controlled community colleges, another avenue to higher education, is targeted for only a slight increase from last year. Navajo Community College is to be funded at precisely last year's level.

The administration's commitment to vocational education for Indian student appears weak at best. Once again, the administration fails to seek a match for the 1 percent set-aside of vocational education and funds by the Department of Education.

The Navajo Nation has a vocational rehabilitation program run by the Navajo Division of Education. We ask that the Navajo vocational rehabilitation program be funded at an adequate level to do the job, with funding restored to the pre-reduction level.

Indian education is an ongoing Federal responsibility. It is a trust responsibility. In the long run, it is the worst false economy to keep squeezing these programs tighter and tighter. We hope that this committee will use its oversight powers to protect the funds going to Indian schools and students and reverse the trend toward more and more inadequate education.

Thank you very much.

Senator **Goldwater**. Thank you.

Mr. **Freeland**. Mr. Chairman, my name is Dr. Freeland, and I am accompanying the vice-chairman of the Navajo Tribe.

I would like to indicate that we did attach a title IV statement that we submitted before the House Appropriations Committee, and we would like to make that a part of this testimony. It is in more detail, and we will not go into that.

Senator **Goldwater**. Thank you very much. Without objection, a copy of Mr. Begay's prepared testimony and a copy of the title IV statement will be inserted in the record at this point.

[The material follows. Testimony resumes on p. 238.]

THE NAVAJO NATION
WINDOW ROCK, NAVAJO NATION (ARIZONA) 86515

PETERSON ZAH
CHAIRMAN, NAVAJO TRIBAL COUNCIL

EDWARD T. BEGAY
VICE CHAIRMAN, NAVAJO TRIBAL COUNCIL

INDIAN EDUCATION -- FUNDING FOR SURVIVAL
TESTIMONY OF NAVAJO NATION TO
SENATE SELECT COMMITTEE ON INDIAN AFFAIRS

Prepared by Navajo Division of Education
February 22, 1983

Members of the Senate Select Committee, we appreciate this opportunity to appear before you to express the concerns of the Navajo Nation about the proposed budget for Indian education for Fiscal Year 1984 and budget proposals for other programs affecting Indian education. Education has been and remains a critical concern of the Navajo People. The right to education for our children was included in the Treaty of 1868. It has always been understood by our people as an essential element of the Federal government's trust responsibility. We recognize that good education is essential to our survival and development. Thus, we believe that our future is threatened by continued Administration efforts to cut deeper into the budnet for Indian education with each new budget recommendation.

FEDERAL RESPONSIBILITY FOR INDIAN EDUCATION IS DIFFERENT FROM RESPONSIBILITY FOR STATE AND LOCAL EDUCATION

The proposed fiscal year 1984 budget and recissions proposed in the FY '83 budget contain large reductions in the federal commitment to many education programs. In narratives justifying these recommendations, the Reagan administration states its desire to return responsibility for education to states, localities and families. The President states in his budget message that he intends to aid State and local governments in carrying out their "appropriate public responsibilities," but he stresses:

> "This does not mean that appropriate Federal responsibilities are being abandoned, neglected or inadequately supported. Instead, ways are being found to streamline Federal activities, to limit it to those areas and responsibilities that are truly Federal in nature; to assure that these appropriate Federal responsibilities are performed in the most cost-effective and efficient manner; ... ."

Unfortunately, the budget recommendations for Indian education do not live up to the President's assurances. The budget ignores or fails to take account of the fact that Indian education is a Federal responsibility. It has been a Federal responsibility since the time of our treaties. The Federal responsibility for Indian education is founded upon treaty, upon the trust relationship, upon Federal law, and upon the total impossibility of funding it any other way.

Indian reservation land cannot be taxed by local state school districts. Even if it could, the economic facts of life on Indian reservations make them totally inadequate as a tax base for education. States are not interested in expanding their school systems into the more isolated parts of the Navajo Reservation (or any other reservation) where the need is greatest. They are not prepared to increase their levels of support. In fact, in Arizona and New Mexico, the two states with the largest number of Navajo students in public schools, the state legislatures are currently attempting to reduce the extent or amount of state compensation to the poorer school districts.

The Navajo Tribe and other tribes simply do not have an economic base to support the educational needs of their people. Any misguided attempt to fund Indian education out of tribal revenues would only destroy the possibility of economic development on the reservation by absorbing development moneys without providing the needed revenues for education.

Because this committee has general oversight of Indian affairs, we would like to present to you our full range of concerns about the proposed budget for Indian education, including funding within the Bureau of Indian Affairs and the Department of Education, programs directed only at Indians, and more general programs from which our children benefit. We will deal separately with each program and funding source, identifying what we see as the strengths and weaknesses of the funding proposed for each, and areas of special concern.

BASIC SUPPORT LEVELS FOR BIA SCHOOL OPERATIONS ARE INADEQUATE

The proposed Federal budget for BIA school operations continues the recent trend of squeezing more and more functions into fewer and fewer dollars. The BIA budget for school operations is down. This is supposed to be because of the transfer of Alaska schools to the state and the closure of off-reservation boarding schools. It is not clear, however, that these transfers and closures will or should take place. Nor is it clear that all boarding school students from the schools in question will enter the public school system. On the Navajo Reservation, it appears that enrollment in BIA funded schools is up. Last year, more than 17,000 Navajo students were enrolled in BIA funded schools (this includes 52 BIA-operated schools and 11 community controlled contract schools). Enrollment was up by over 500 students from the previous year, according to BIA figures. We have been unable to obtain final figures for this year, but reports from more than one Agency Education Office indicate that enrollments this year are even higher than last.

The Indian Student Equalization Formula, the basic fund for operating BIA-funded schools, has had no signficant increase in per student funding for some time now. Indeed, the weighted student unit base amount received by schools on the Navajo reservation has actually declined. It is impossible to keep pace with rising education costs when the revenues generated by each student decline. Transportation costs, computed under a separate line item, have also declined. These funds are set for an actual reduction this year. Documents submitted by the BIA to the office of management and budget suggest that the rate per student mile may decline. These funds are already terribly inadequate. Some day schools have had to curtail bus routes. Others have had to dip into academic moneys to cover additional transportation costs. Some boarding schools have limited trips home for their students below acceptable limits.

The tight budget for ISEF and transportation is made the worse in BIA operated schools by the BIA's personnel system which locks many schools into unreasonably high salaries for such personnel as cooks, bus drivers, etc. Wage scales for these employees can dwarf teacher salaries. They can literally break the budget of a small school.

It is impossible not to notice that the BIA itself does not share in the reductions which education programs face. BIA technical assistance at the area and agency office is scheduled for a reduction. General administration of the BIA is scheduled for an increase. Again. Administrative costs associated with the Secretary of Interior's office are scheduled for increases. Again. This past year, some of our schools encountered a sudden rise in rent for staff quarters when the BIA decided to make rentals consistent with the rise in the consumer price index. Rentals went up 25%. ISEF and transportation did not go up at all. For our contract schools this was a real problem, since they did not have the money to give staff raises to cover the increased cost. This situation gives lie to the administration's promise that it will cut administrative costs for the sake of preserving program costs. When will this promise be met for Indian education?

BIA school operations has in the past provided funds for BIA school board training. The funds in recent year have not met the minimum set in regulation. Now they are proposed for a cut to $25,000.00, the estimated cost of a training manual. Any additional traning is supposed to be paid for out of ISEF. This is not possible. ISEF cannot be stretched that far. It is also questionable policy to, in effect, amend the regulations implementing P.L. 95-561 through the budget process rather than through the rulemaking process. It the BIA wants to abandon its commitment to school board training, it should undertake an amendment of the regulations that call for at least $5000 per board per year, with all the rights to notice, comment, etc. that are part of the rulemaking procedure. Only then should such a diminished budget request be made to Congress. School board training is a necessary on-going process which helps our local community people to participate effectively in the education of their children. It is necessary to their assumption of their role within the school system. It should be funded at the level provided in federal regulation, without diminishing the other school operations items.

A similar argument needs to be made in regard to preschools funded out of the Interim Formula Implementation of BIA school operations. There are admittedly few of these programs. However they are vital to the families and communities that rely on them. This program should not be arbitrarily terminated through the funding process. If this program is to be eliminated, it should first be removed from the P.L. 95-561 regulations through rulemaking with appropriate opportunities for comment. Only then should such a budget recommendation be made. We urge you to preserve these programs since they do meet an important need in the communities served.

Community-controlled contract schools funded through BIA school operations also have special concerns in the proposed budget. These schools very much need an enhanced and rationalized process of funding overhead costs. Currently contract support funds pay for start-up costs, the incremental costs of contracting and regular overhead (often misnamed "indirect costs"). These three items should appear separately in the budget and should be adequately funded. It is particularly important to fund new starts. A Navajo community group has been trying for a year to get BIA approval of a contract high school for school dropouts and troubled youths. Despite the full and active support of the Navajo Tribal Government for this project, the BIA has turned it down for lack of funds and has, as far as we can tell, failed to seek any funds for it.

The BIA is seeking additional funding for oversight and monitoring of '638' contracts. At the same time it is reducing funding for BIA technical assistance and has indicated in one budget document that "638" grants, a source of start-up and planning money for new contracts, may be utilized for BIA technical assistance to contracting. We look at these proposals with concern. No one questions the need and right of the BIA to monitor. However, we trust that Congress will assure that funds that could be applied to helping contractors do the job right will not be siphoned off into projects that monitor the effects of failing to fund assistance and planning.

IMPACT AID FUNDS AT THE PROPOSED LEVEL CANNOT ABSORB NEW PROGRAMS

The proposed budget for Impact Aid offers some hope of increased levels of funding for Indian students attending public schools, although it is impossible to tell if the aparent increase will be totally absorbed by the addition of the Alaska schools. The increase, however, is not great, especially given administration projections of increased Indian student enrollment in public schools. It will not even return the Impact Aid program to the fiscal 1981 level. What is troublesome about the Impact Aid appropriation is that the Administration appears to think that the budget for impact aid is so adequate that it can absorbe additional programs, such as those funded by Title IV. We have checked with public schools on and near the Navajo reservation. They are unanimous in stating that this is not true. They are stretched to the limit. Any additional Impact Aid money will go to recoup losses in basic programs.

One problem with Impact Aid funding, aside from the inadequate level, is that in some states it is subject to equalization and expenditure limits which defeat the purpose of Congress to provide additional Impact funds for Indian students. In New Mexico, the 25% additional funding received for Indian students is included in the 95% of Impact Aid funds that are absorbed into the state's equalization system. As a result districts with few or no Indians benefit (even if slightly) from the fact that other districts have Indian students. The Indian districts do not receive the additional funding level anticipated by Congress. In Arizona a revenue control limit restricts the ability of Indian school districts to spend Impact Aid dollars even when they have them and even when the school is going broke. The state now seeks equalization of Impact Aid into an equalization plan which is totally inadequate for operation of rural and reservation schools. Given this situation, Congress should consider, either in the Impact Aid law or in the Impact Aid appropriation, providing that at least some Impact Aid revenues , certainly the 25% received above the basic allocation for Indian students and the additional funds received for handicapped students, are protected from state revenue limits and cannot be treated as "local revenues" for equalization purposes.

Impact Aid construction funds at least appear in this year's budget.

However, the sum of $10,000,000 does not meet the critical construction needs of reservation public schools. Once again Congress is encouraged to mandate a building and reconstruction plan for reservation public schools (a similar plan is needed for BIA schools), and levels of funding adequate to meet the critical need for safe, sanitary, educationally adequate facilities.

ALL EXISTING SUPPLEMENTAL PROGRAMS ARE NEEDED AND REQUIRE ADEQUATE FUNDING

The administration budget is particularly harsh on supplemental programs. There seems to be some notion that "supplemental" means "unnecessary". This is NOT true. Supplemental programs exist because there are supplemental needs which must be met if our children are to receive an adequate education. Our children need financial assistance to participate in vocational, athletic and extracurricular programs. They need programs to encourage parental involvement to overcome the hundred year history of using education to estrange Indian children from their parents. They need bilingual/bicultural programs. They need supplmental programs to improve their achievement levels in basic subjects. This is true both in the BIA system and the public school system, in both of which our Navajo students are performing below national achievement levels, below the potential which they should be realizing. Our children NEED supplemental programs in order to benefit from basic programs.

1. Title IV

The Title IV program, targeted for elimination, is a critical program for our Navajo children. It serves over 37,000 Navajo children in public schools and contract schools on the reservation. It serves an undetermined number of Navajo children in urban public schools, whose parents have been forced to move away from the reservation in search of employment. Despite the claims of the Administration, it does not duplicate other programs. This fact has been attested to by educators involved in the program and by our own Johnson O'Malley coordinator who deals with these schools and has observed the utilization of Title IV.

We have checked with schools across the Navajo Nation. They are unanimous in stating that the loss of Title IV will seriously compromise the academic achievement of our children, the developing ties between the Indian community and the schools, and the ability of the children to participate in the life of the schools. None of the other supplemental programs with their current or proposed funding levels or program restrictions will be able ro compensate for the loss of Title IV. We urge you most strenuously to protect this program from recission, reduction or elimination. This applies to parts A, B and C of Title IV. We include as an addition to this testimony, testimony prepared for a hearing of the House Education and Labor Committee regarding the Title IV program, which expresses more fully our concerns with regard to the elimination of the Title IV program.

2. Johnson O'Malley Program

The Johnson O'Malley Program is not scheduled for any significant increase in funds despite the proposed elimination of Title IV and the proposed transfer of the Alaska schools. On the Navajo Reservation, Johnson O'Malley funds are already stretched to the limits. The program cannot pick up existing Title IV activities. We have had certain difficulties with the Johnson O'Malley program in recent years which this committee should be aware of, and hopefully can help remediate. One of these problems is the perpetual late arrival of the funds (this is also a problem with ISEF funds, BIA transportation funds and Impact Aid funds). Funds are not appropriated until the middle of the school year. They are not alloted until spring. This makes a mess of planning. Especially in years of shrinking budgets, schools are reluctant to make programatic commitments when they do not know how much money they will have.

BIA administration of the Johnson O'Malley program is often inconsistent. Last year we were informed that it was possible to use JOM funds for preschools conducted in conjunction with contract schools, as long as the schools were the prime contractor. This year we were told it was all but impossible, with requirements of separate parent committees, separate buildings, etc. This on-again-off-again direction has left our schools confused. The decision of Congress to deny JOM funding for contract schools has hurt the programs in these schools. Some of our schools, which had utilized JOM funds for audiovisual equipment (a valuable part of their bilingual program) are now faced with confiscation of that equipment. We would hope that Congress will restore JOM eligibility to these schools or at least protect them from the loss of equipment purchased with JOM funds.

One proposal for the Johnson O'Malley Program particularly affects the Navajo Reservation. This is the proposed elimination of funds for tuition payments for attendance at out-of-state public schools. Most out-of-state tuition payments under the Johnson O'Malley program are paid for students living on the Navajo reservation. Our reservation covers three states. IN some of our outlying areas, it is more reasonable to attend school across a state line than to attend a less convenient school in the same state. The largest number of our students using JOM for out-of-state tuition attend the Sevier school district in Utah (145 Navajo students). They do very well there. Their achievement scores are very high compared to other schools on or near the reservation. It would be a terrible mistake to deny these students the opportunity to participate in this schools' program when the results have been so positive.

3. Other Supplemental Programs

Navajo students in public, BIA and contract schools benefit from other supplemental programs as well. Some of these programs are projected for recissions and reductions. Others will stay the same or see only modest increases. Some have brought so little revenue to our schools that it is hard to see how simplification of their funding structure has benefitted us at all.

Title VII is targeted for recission of some funds and for a substantial reduction in funds for next year. These reductions may eliminate the impact of Title VII on Indian education. Already Title VII serves only a minority of eligible Indian students because of its small size. Program restrictions further limit its availability (indeed Title IV funds a much more extensive effort in bilingual education for Indian students). Nonetheless, we have seen valuable innovative programs for Navajo children funded through this program. We encourage you to continue it at at least the current funding level, or hopefully, to increase its funding: We further encourage you to resist any change in funding structure which would make local school districts more subject to state governments in formulating programs. We are very concerned that structural changes in this program may make it less available to Indian schools, both public and contract, and more restrictive in the kinds of Indian programs it can fund.

Chapter I funding proposals have us frankly confused. Chapter I funding to Local Educational Agencies is targeted for a big recission this year and a modest increase next. This is hard to understand. Chapter I is a valuable program for our Indian children, many of whom need Chapter I remedial programs to bring their academic performance up to grade level. Despite claims of the Administration, Chapter I cannot compensate for the loss of Title IV. We hope that Chapter I will be funded at an enhanced level so that it can more adequately meet its own programatic needs. We are concerned that Chapter I funds should be available to BIA and contract schools through the BIA or directly through tribal contracts. We hope there will be clarification of references to a voucher system for this program.

Chapter II funding has been a bit of a disappointment. BIA-funded schools have been found ineligible for it. Reservation public schools have found the dollars it generates insignificant, especially when compared to the programs it absorbed. We hope that this program will be more adequately funded and that certain valuable programs such as Project Follow Through will be retained. We would like to see some mechanism for making this program available to BIA and contract schools.

The problem with Chapter II highlights a general concern with the block funding of education programs to states. If no provision is made for setting aside some part of block funds for BIA and contract schools, either through the BIA or through direct tribal contracts, these schools may lose out on programs which they need and from which they now benefit. We trust that this committee will exercise its oversight function in the case of every proposal to block fund an education program to assure that Indian schools and Indian students are provided for specifically.

Public Law 94-142 may undergo some regulatory revision this year, in addition to budget changes. We encourage Congress to approve enhanced funding for this program and to encourage, by legislation or regulation, procedures whereby P.L. 94-142 funds could be contracted directly to Indian tribes for BIA-funded schools within the reservation.

We have received information that Congress is considering a title in the act supporting library construction which would make library funds directly available to Indian tribes. Unfortunately, the Administration seeks no funding for library construction. We hope Congress will fund this program with the additional title for Indian libraries.

A STRONGER COMMITMENT IS NEEDED TO POSTSECONDARY INDIAN EDUCATION

The proposed FY '84 budget continues to make postsecondary and adult education a reduced priority. Reduced funding is sought for higher education student grants and special grants for Indian students. Pell grants are targeted for elimination. This comes at a time when the demand for higher education by Indian young people is greater than ever. Only ten years ago, virtually every eligible applicant for a BIA-funded scholarship through the Navajo Tribe could be funded. This past year almost three forths of the eligible applicants had to be turned away. Given the economic situation of the Navajo Reservation (and other reservations), there is often no other source to which these students can turn.

Funding for tribally controlled community colleges, another avenue to higher education, is targeted for only a slight increase from last year. Navajo Community College is to be funded at precisely last year's level. No provision is made in the budget to meet the critical needs of Navajo Community College and other tribally controlled community colleges for renovation of their facilities. Despite the statements of the President, we do feel that postsecondary education is within the trust responsibility of the Federal government. Education for survival requires education beyond high school in these times.

The administration commitment to vocational education for Indian students appears weak at best. The proposals for SIPI's funding may well spell the economic demise of that institution if they are accepted by Congress. Once again, the administration fails to seek a match for the 1% set aside of vocational education funds by the Department of Education. We are very concerned about proposals to block fund vocational education. It is essential that the 1% set aside be preserved and made directly available to tribes. Since the administration is reluctant to match it with BIA funds, as provided by law, we would recommend that it be increased to a 2% set aside and end the annual frustration of Indian educators when once again the BIA fails to advocate for critical postsecondary educational needs.

Reduction in funding for adult education is a cruel blow to the already deprived -- those adult Indians who did not receive adequate education in their youth because of the unavailability of appropriate or geographically accessible programs. What is needed in adult education is a more agressive program to reach these adults where they live and work, not a reduction of the already inadequate effort.

THE NAVAJO VOCATIONAL REHABILITATION PROGRAM NEEDS A MORE ADEQUATE FUNDING BASE.

The Navajo Nation has a vocational rehabilitation program run by the Navajo Division of Education. The program serves about 500 handicapped Navajos. It does for our Navajo people what state vocational rehabilitation programs do for handicapped people in the states. It does not duplicate state programs. Its clients are not served by state vocational rehabilitation programs. Each year the program must qualify for a special project grant. This year the program has fewer dollars than last to serve the same number or more clients. The Vocational Rehabilitation Act is up for reauthorization this year. We ask that the Navajo Vocational Rehabilitation Program be funded at an adequate level to do the job, with funding restored to the pre-reduction level. We also ask that provision be made in the Vocational Rehabilitation Act to treat tribal programs such as ours the same as programs in states and trust territories to assure adequate, reliable funding for the basic grant.

THERE NEEDS TO BE A NEW COMMITMENT TO INDIAN EDUCATION

The Reagan Administration has stated that it is committed to improving the economies of Indian reservations. This goal can only be reached through the development of an educated population on the Indian reservations. Right now the state of our schools and educational programs is sad. Both public and BIA schools are housed in old, inadequate facilities. They rely too much upon "temporary classrooms" which become depressingly permanent as funds for new construction fail to materialize.

School administrators attempt to hang onto programs and trained staff in a climate of frozen or reduced budgets and escalating fixed costs. It is as if a home owner put off year after year the maintenance needed on his house. Because paint is lacking, wood decays. Little problems, left unattended, will bring down the house. This is what appears to be happening with Indian education. Indian education is an ongoing Federal responsibility. It is a trust responsibility. In the long run it is the worst false economy to keep squeezing these programs tighter and tighter. Unrepaired buildings are going to require replacement or reconstruction. Inadequately educated Indian young people are going to require retraining and additional education to become self sufficient. We hope that this Committee will use its oversight powers to protect the funds going to Indian schools and students and reverse the trend toward more and more inadequate education.

RECOMMENDATIONS

As a way of summarizing the above testimony, we do have some specific recommendations which we would like to leave with this committee regarding specific items in the Indian education budget. We hope they will be helpful.

1. Include in the budget some provision for contingency funding so that Administration plans to close off-reservation boarding schools and Alaska BIA schools will not create financial hardships either if they are accomplished or if they do not occur.
2. Make provision within BIA school operations for a significant increase in the Weighted Student Unit base and the transportation cost per student mile base to compensate these programs for a real loss in spending power they have suffered in recent years.
3. Restore funding within school operations for school board training and for preschool programs. Resist administration efforts to use the budget as a substitute for rulemaking under the APA.
4. Provide for BIA technical assistance to schools without counting on ISEF funds, contract support funds or "638" grant funds to absorb the cost.
5. Provide separately and adequately for contract support funds for incremental costs, for "indirect costs" and for new start costs in the budget. Encourage funding for new school starts. A separate line item for this should be established.
6. Do not permit increases in administrative costs for the BIA, including those concealed within the budget of the Secretary of Interior, when programs are receiving reduced or frozen funding. Take the Administration at its word that programs will be cut last. This should include "638" monitoring funds, which basically constitute another addition to the administration budget.
7. Provide increased funding for Impact Aid. Make provision so that Indian school districts can use the 25% additional funds they receive for Indian students and the addition they receive for handicapped students without subjecting such funds to state equalization or revenue control limits.
8. Do not expect Impact Aid to absorb Title IV programs.
9. Make provision under Impact Aid construction for a program of rennovation and construction for reservation public schools.
10. Continue operation of the Title IV program without recission of FY '83 funds and with significant increases in the FY '84 funds. This applies to Parts A, B, and C of the program. Consider supplemental Title IV funding for FY '83.

11. Maintain the existing per student rate within the Johnson O'Malley Program. Retain the Johnson O'Malley out-of-state tuition program.

12. Provide adequate funding for Chapter I, Chapter II, and other supplemental education programs . In all block funded supplemental programs make provision for a set aside directly available to BIA-funded schools, including contract schools. Make provision for funding of these programs through tribes.

13. Increase funding for Indian scholarships, graduate scholarships, and special graduate programs. Continue to fund the Pell grant program.

14. Make a real financial commitment to Indian vocational education, including funding to match the 1% set aside in the DOE vocational education budget, or doubling the set aside to 2%; and putting SIPI on a sound funding basis. If vocational education is block funded, make certain the set aside for Indian programs is protected from state control or absorbtion.

15. Increase funding for adult education and mandate program designs to reach the people most in need of this program.

16. Make adequate provision for the Navajo Vocational Rehabilitation Program. Include provision in the reauthorization of the bill to treat this program like a state or trust territory for its base funding.

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THE NEED FOR TITLE IV -- COMMUNITY EDUCATION THAT WORKS
TESTIMONY OF NAVAJO NATION TO HOUSE EDUCATION AND LABOR COMMITTEE

Prepared by -- Navajo Division of Education
February 22, 1983

Members of the Committee, we appreciate the special opportunity which you are giving us to appear before you in support of the Title IV program. This important program is threatened with extinction under current policies of the Reagan Administration. It is hard to understand why this should be so, because the program accomplishes so many things which the President has identified as important in education programs. It has met part of the "appropriate Federal responsibility" for Indian education. It has fostered local control of education planning. It has involved Indian families in education decisions affecting their children. It has worked. Elimination of the program will set back many of the gains being made in the education of Indian children and leave the academic and employment future of these children even more uncertain than it is now.

THE RATIONALE FOR ELIMINATION OF TITLE IV RESTS ON FAULTY ASSUMPTIONS

The Administration , in its official justification of the elimination of Title IV makes several faulty assumptions. These include the assumption that the trust responsibility of the Federal government (to the extent the administration is willing to admit there is a trust responsibility) which gives rise to federal responsibility for Indian education, resides only in the Bureau of Indian Affairs and not in any other part of the Federal government; the assumption that other supplemental programs or basic programs (such as Impact Aid) can pick up any needed Title IV programs; and the assumption that Title IV has done its job and is no longer needed. none of these assumptions stands the test of analysis.

1. Indian Education is the Responsibility of the United States Government

It is legally, historically and practically unsound to contend that the entire responsibility for meeting Federal obligations to Indian people rests with the Bureau of Indian Affairs. In 1868, when the Navajo people made their treaty with the United States, there was no Bureau of Indian Affairs. That treaty was made with representatives of the U.S. Army. Yet no one at this point seriously expects the U.S. Army to effectuate U.S. obligations under the treaty. Impact Aid, identified in one government study as the best expression of the Federal trust responsibility for Indian students in public schools, is administered through the Department of Education. The same is true of Title VII, which has funded some programs directed particularly at Indian students. We did not make a treaty with an agency. We made a treaty with a government. We look to that government, not to any one agency within it, for the realization of the promises contained in that treaty, including the promise that our children would be educated.

2. Other Programs Cannot Compensate for the Loss of Title IV

The administration asserts that other programs can pick up any necessary Title IV functions. It is difficult to understand the basis for this contention. This Administration has been very lean in its funding of education programs. All supplemental public school programs have been cut back, frozen, or increased minimally at much less than the rate of inflation. At the same time, state governments, faced with their own budget deficits, have been similarly tightening state support levels for education. As a result, every educational program in the schools serving our children is cut to the bone, stretched to the limit. The Navajo Division of Education contacted every public school district on or near the Navajo Reservation serving Navajo children and asked if existing programs in the school could pick up Title IV activities. Our question was universally greated with scorn and disbelief. School administrators were unanimous in stating that all their programs are underfunded. There is no home within any other supplemental programs or in the basic maintenance and operation budget for the Title IV projects. Indeed, hard times have caused a pooling of resources among programs (such as several programs picking up part of a secretary's salary; or one program providing the teacher and another providing the materials costs). This means that the loss of one program such as Title IV can result in the impairment of the remaining supplemental programs.

Quite aside from the financial considerations, Title IV is a very flexible program. It allows a school to operate programs and provide services which do not fit within the stricter requirements of such programs as Chapter I, Title VII and the like. Title IV is forward funded. It is money schools can plan on. This puts it head and shoulders above the Johnson O'Malley Program, quite apart from the eligibility and other limitations of the JOM program. Title IV money is locally programmed money. Elected committees of Indian parents meet with school officials to plan for the use of this money There really is no substitute for this program.

3. The Title IV program is still needed.

Title IV has had some outstanding successes. It has improved achievement. It has had an impact on the drop out rate. It has increased parental involvement. This does not mean that the need for Title IV has disappeared. It would make as much sense to say that because a good foundation has been laid, a house does not need walls or a roof. Because a situation is improved does not mean it is resolved. For example, Title IV programs have had success in raising achievement scores of participating students. However, achievement scores of our students are still significantly below the national average. Better is not the same thing as good enough. Title IV programs have been successful in keeping some children in school. However the drop out rate for our children is still unacceptably high. A review of attendance data for the last school year showed a senior year enrollment for Navajo students that was approximately 35 % below the freshman enrollment. This figure does not even catch the numbers who have dropped out before the freshman year. Title IV programs are helping us deal with this problem. We still need them.

Title IV has been very effective in involving Indian parents in the education of their children. Parental involvement is something that is almost taken for granted in middle class white school districts in this country. Of course parents are involved. The elect the school board. They pass on the school levy. They can make demands if their children are having problems. For Indian parents the situation is very different.

For many Indian parents their first experience with education was being forcibly taken from their parents' home and placed in a boarding school where they would be physically punished for speaking their home language. For these parents to see school as a place where they can share in creating a future for their children requires a tremendous process of trust building and reorientation. It does not come easily. In many cases, Indian parents are a minority of voters and cannot select their school board. In highly impacted school districts, the basic school budget is often outside their power to influence.

Title IV has provided an extremely effective means for Indian parents to become a part of their children's education. In our survey of Title IV programs affecting Navajo children, we were told time and time again that the parent committees are active, involved , vital. Many parent committees meet at least once a month. Their meetings are often attended by 35, 40 or more parents. They ask questions about their children's education. They participate in framing solutions for problems. The diversity of programs funded by Title IV reflects the diversity of solutions which Indian parents are exploring to improve the education of their children.

Title IV has been used to fund a diversity of programs, reflecting the varieties of needs in the different school districts within the Navajo Nation. One thing we have noticed is that the poorer the district, the more critical is the Title IV program. Thus elimination of the Title IV program will hit hardest at the districts which have the greatest needs and fewest resources. Title IV funds have been used in our schools to fund remedial programs, bilingual/bicultural programs, bilingual counsellors, home-school laison programs, tutorial programs, programs for gifted Indian students, summer programs, bilingual classroom aides, student retention programs (aimed at potential drop-outs). The programs funded by Title IV are as diverse as the problems of Indian students and the ingenuity of Indian parents and educators in solving these problems. What will become of these efforts it Title IV is eliminated.

ELIMINATION OF TITLE IV IS OCCURRING WITHOUT PLANNING OR CONSULTATION

One of the frustrating things about the proposed elimination of Title IV is that it is occurring without educational planning and without consultation with Indian tribes, parents or educators. It is an idea that has come out of the blue, or rather out of deliberations conducted in Washington without input from educators or Indians. It is a plan cooked up while the Office of Indian Programs in the Department of Education was without a director, and after many of the most knowledgeable staff within that office had been riffed. Perhaps that is why the justifications given by the Administration for its recommendation are so factually erroneous and programatically unsound.

The impact of Title IV on the education of Navajo children is profound. Over 37,000 of our children benefit from the program on or near the Navajo Reservation. This includes not only public school students, but students in our community controlled contract schools. In addition, an untold number of Navajo students whose parents have been forced to move away from the reservation to find work have benefitted from this program in urban settings. With such a stake in the future of this program, we find it hard to understand how the program could have been targeted for elimination without our involvement. We cannot understand why the move was made "in the dark," without consultation. The entire process raises serious questions about what this Administration understands by the "government-to-government" relationship. Let there be no misunderstanding -- this government, the Navajo government, does not agree that Title IV is expendable or unnecessary.

Quite aside from the lack of consultation, what strikes one most forceably about the proposed elimination of Title IV is the lack of planning. The Navajo Division of Education has made only the briefest review of Title IV programs on and near the Navajo Reservation. We immediately discovered that many schools use Title IV funds in conjunction with other funds to expand the supplemental programs available to students. For example, one school uses funds from three supplemental programs and the basic operational budget to pay for a secretary who performs secretarial functions for all three programs. Elimination of Title IV will affect the two remaining programs as well. Another school uses Title IV to pay for instructors and aides for a remedial program and uses Johnson O'Malley funds to pay for parental costs and instructional materials associated with the effort. Elimination of Title IV will limit the effectiveness of Johnson O'Malley funds as well. It is doubtful that the Administration has any idea of the impact of the elimination of Title IV funds on other programs such as Chapter I or Johnson O'Malley in schools such as these. These schools should not be penalized for working so hard to stretch their dollars. It would be irresponsible of Congress to permit the elimination of this program without demanding that the Administration undertake a thorough evaluation of the consequences of removing this program and these funds from the resources available to our schools.

ALL PARTS OF THE TITLE IV PROGRAM ARE NEEDED.

So far, our testimony has dealt with Part A of Title IV. This does not mean that Parts B and C are unimportant. We stress Part A because so many children and so many programs are involved. Parts B and C are also important. Part B is permitting research, back up and specialized programs that are increasing our ability to create innovative programs for Indian children . In the Navajo Tribe, Part B funds are premitting us to evaluate the education needs of our children within both state and federal school systems and accross three states. Part C funds are aimed at the needs of Indian Adults. The program is small. But it is necessary. There are many Indian adults who were essentially missed by all school systems when they were children. Educational programs aimed at these adults should be an essential part of any program of economic development for Indian reservations.

CONGRESS HAS A RESPONSIBILITY TO ACT RESPONSIBLY

The planned elimination of Title IV is now nothing more than a proposal. Only Congress has the power to turn it into a reality. We would urge Congress to act swiftly and responsibly to reject the proposed recission of Title IV funds so that existing programs can proceed and reject appeals to eliminate the program for the next budget year.

Senator GOLDWATER. Mr. Cohoe?

STATEMENT OF BENNIE COHOE, EXECUTIVE DIRECTOR, RAMAH NAVAJO SCHOOL BOARD, INC.

Mr. COHOE. Senator, my name is Bennie Cohoe. I am from Ramah, N. Mex. I am the executive director for the Ramah Navajo School Board, Incorporated, at Pine Hill, N. Mex.

I am here today to express three areas of concern about the Navajo people in my community. I am concerned about the present information that we are receiving in regard to the administration's planning and also the administration's requesting the committees to rescind some dollars from the current allocated moneys for fiscal year 1983. These moneys are in the amount of $16,128,000 pertaining to the Indian education program under title IV.

We would like to request that those moneys be retained within the appropriation for 1983. Also, there is a request for recision of the budget in the administration for 1984. We are asking the committee to take a hard look at that line item because, as the vice-chairman for the Navajo Nation just stated, the State which I am from, the State of New Mexico, at this time is not ready to pick up the slack if those moneys are withdrawn for these Indian students on the reservation.

I doubt if there is any communication between the current administration and our State government as to how these transitions will take place. So I feel that it is very important that we retain those moneys in the fiscal year 1983 program as well as the continued funding in the 1984 budget.

Some of the concerns that I have communicated to the rest of the Congressional offices are that we are requesting support for approval of a supplemental budget for title IV, Indian education, sponsored by Congressman Pat Williams of Montana for fiscal year 1983.

The other support that we are asking for is support for H.R. 11 sponsored by Congressman Carl Perkins reauthorizing title IV, Indian Education Program Through 1989. Also, we are requesting that the reduction request submitted by the administration be defeated.

We are also asking for reestablishment of a BIA line item for preschool education at not less than the previous fiscal year 1980 level, and for compliance with the regulation asking for consultation with Indian organizations and Indian tribes in regard to the Indian student equalization program formula.

We are asking for immediate establishment of school standards for Bureau of Indian Affairs and contract schools in consultation with educational leaders within the Indian nation.

We are also asking that there be an allocation increase for students under the ISEP formula. We have done research where the current national average is higher than what the Bureau is allocating for the Indian children.

We are asking for a readjustment in the education formula for ISEP in regard to student transportation. We are concerned about the way the present criteria has been established for the economic grants. We would like to see the eligibility in regard to Indians putting up 75 percent from the private sector be reduced.

At this time, the community that I am from is an isolated area. We are a satellite community of the Navajo Nation. There is no way we can get the private sector to come on to our reservation to assist us with any type of economic development. That is why I have a concern in that area.

We are asking to increase funding for economic development in the upcoming budget.

Those, basically, are my concerns. Additionally, we have concerns in the area of housing development and the Indian housing programs.

Currently, there are some problems. I was listening to the testimony that was presented by the HUD staff yesterday. They are saying that they are taking a hard look as to how the Indian construction costs can be reduced on the Indian reservations.

However, after reading their statement, they failed to acknowledge that they would observe the tribal regulations that are developed which encourages its own private sector to seek technical assistance from the outsiders to establish their own construction company. That is being ignored.

The tribal regulation that is established in regards to Indian preference and so forth is being ignore by HUD at this point. I suggest that we be given some time to submit our comments to really have HUD understand what we are trying to do in regard to Indian construction on Indian reservations.

Housing is needed. There is a backlog of about 20,000 houses at the present time on Indian reservations. There are now some units going up on the reservation without any utilities. There is no plumbing in some of the units that are currently being constructed because Indian Health Service has not been allowed to put construction money into their budget which previously helped Indian tribes.

There is a standing tri-agreement between HUD, IHS, and the Bureau of Indian Affairs to provide safe, decent, and sanitary housing.

These are our concerns, Mr. Chairman. Thank you.

Senator **Goldwater**. I do not think you used your whole statement, so we will make it a part of the record at this time.

[The prepared statement follows. Testimony resumes on p. 250.]

PREPARED STATEMENT OF THE RAMAH NAVAJO SCHOOL BOARD, INC.

PRESENTED BY BENNIE COHOE, EXECUTIVE DIRECTOR

Senator Mark Andrews, Committee Members, my name is Bennie Cohoe. I am the Executive Director of the Ramah Navajo School Board. We are a contract school in rural New Mexico serving the Ramah Band of Navajos with education, health, social and other services.

Our organization is happy to be able to talk with you about the budgetary needs of Indian people. Secretary Watt, Secretary Bell and other administration officials have shown us in the recent past that they are not responsive to the needs of Indian people as mandated by treaty and law. Tribal consultation has become a farce. We were told that all Americans would share equally in the misery that budget cuts would bring. That was not true last year and it continues to be untrue.

Asst. Sec. Ken Smith admitted that the majority of funding for Indians does not come from BIA and IHS. When program areas outside of these agencies were cut, eliminated, and block-granted to the states, we lost a major portion of funds for which we have been eligible. Then BIA and IHS services were cut. Now the administration is recommending that whole service areas be eliminated. We cannot survive such catastrophic withdrawal of support. The unemployment rate for the country which seems so catastrophic to all of you and to the country at large would be a blessing on any reservation in the country.

Indian people have been told that economic development on the reservation is the answer to our problems. I am here today to tell you that we can not provide jobs without a literate, English-speaking labor force. That means education programs. Yet you have before you requests to cut or eliminate almost every major education program through which we receive services.

Lack of adequate medical services is another hinderance to the autonomy of our community. People do not get sick or well on command. We cannot control direct patient care costs. We received a 5% cut for fiscal year 1982. Rigid adherence to the policy dictating that the '83 contract shall not exceed the '82 amount insures that we will lose an additional 5% to 10% in inflation and mandated salary increases. How can we refuse to treat properly tribal members who are ill or injured?

When Congress enacted Public Law 95-561, you wrote into the legislation that our appropriations for BIA and Contract Schools would be based on the amount needed to meet the standards which the BIA was to establish in consultation with us. Three years have passed. There are no standards. Consultation with us has not begun. Why is BIA allowed to ignore the laws passed by Congress? You are again asked to appropriate money for Indian schools without any yardstick by which to measure the quality of education which you are providing for our children. Your children's schools have to meet standards. Ours don't. Your children are assured of a minimum quality. Ours are not. The present formula rather than equalizing has created gross inequities. The base amount of the ISEP formula is far below the national average spent for elementary and secondary students.

You were told by Administration officials in the spring budget hearings that the Title IV, Part C funds are not needed for adult education. At the same time, Sec. Bell and other officials are holding without release the first comprehensive national research on the needs of Indian adults and the part that Title IV, Part C plays. That study shows that an average of 95% of the budgets of existing Indian adult education programs are derived from Title IV-C. The study clearly shows that much, much more -- not less -- money is needed.

The BIA has spent large sums of money on both independent assessments and internal assessments of the effects of preschool programing. The reports all agree. The programming should be provided. The provision for doing so was written into ISEP regulations. BIA was to consult with us and to integrate preschool into the formula in 1982. Again, we have not been consulted; nor has the programming been added to ISEP. How the BIA has subverted their own regulations and policies by unilaterally terminating its pre-kindergarten programs for fiscal year 1984.

We will not mislead you as administration officials have done. It costs more to educate Indian children and adults than it does to educate other children and adults. We are receiving less. We are isolated. Much of our population does not speak English. We have only one paved road running through the reservation. We must use four wheel drive vehicles in the winter to bring children out to waiting school busses on the paved road. Often we cannot get children to school at all. We must remind you, however, that it will cost you far more not to provide programming sufficient to meet the needs. The children and adults who are served by our preschool, elementary, secondary and adult literacy programs can become productive self-supporting individuals. Or, they can remain on federal subsistence for many years to come at a price which is astronomically higher than the price you pay for education programs.

We are also confused by the paradoxical messages sent to us by the Reagan administration. We are told that economic development on the reservation is the top priority. All of the sources with which to develop our economy have been withdrawn. In their place is a token appropriation which would not serve to cover the development needs of even one reservation much less all tribes and reservation communities. The majority of Indian communities do not have vast stores of minerals which can be exploited. Our primary resource is people. While the administration talks about economic development, they do not offer any advice on how we are to achieve the economic independence which they tout. There is no definitive policy. We recommend to Congress that the lead in developing such policy in concert with tribes be taken by Congress in view of the void of leadership in the administrations' officials and agencies.

We also request your assistance in meeting construction needs of Indian communities. Our cafeteria is a woefully inadequate home economics room which was converted. Repeated failure to obtain BIA priority for our middle school construction has left children attending classes in dilapidated, unsafe portables which have no restrooms, no fire exits and no handicapped accommodations.

The message to us from the administration is clear. They do not want us to succeed, to learn, and to become a part of the labor force. We hope your message will be different. The Ramah Navajo School Board asks your support for the following:

1) Approval of the budget supplement for Title IV, Indian Education sponsored by Congressman Pat Williams of Montana for FY'83.

2) Support for HR-11 sponsored by Congressman Carl Perkins reauthorizing Title IV Indian Education and other programs until 1989.

3) Defeat of the administration's recession requests for Title IV, Indian Education.

4) Reestablishment of the BIA line for preschool education at not less than the FY'82 level and compliance with regulations on consultation and inclusion into the ISEP formula.

5) Immediate establishment of school standards for BIA and Contract Schools in consultation with tribes and school boards as mandated by law and regulation.

6) An increase in the basic allotment per Indian student in the ISEP formula to $2,800 per student, and the flexibility to transfer monies among need areas to account for the divergent needs of different communities until the problems inherent in the formula can be resolved and standards published.

7) Adjust the transportation formula allotment for ISEP back to 90¢ a mile for those rural schools like ours which have exceptional transportation problems.

8) Establish a Reservation Economic Recovery Task Force to formulate policy and the necessary funding to build a stable economic base in reservation communities.

9) Increase the BIA line for reservation economic development to forty million dollars and provide for eligibility of any economically-depressed reservation community irrespective of the size of the tribe.

10) Mandate that for the hospitals and clinics line allocations be based on demonstrated program need and not consist of merely a percentage decrease from the prior fiscal year.

11) Create a contingency fund in IHS which clinics and hospitals may draw upon as needed to meet direct patient care services.

12) Provide for the inclusion of funds in IHS sufficient to insure at least minimal mental health and alcohol and drug treatment programs.

FACT SHEET # 1 : THE INDIAN SCHOOL EQUALIZATION PROGRAM

1. ISEP Regulations were adopted on 12/10/79 by BIA.

2. Public Law 95-561 directed the BIA to establish school standards in concert with tribes and school boards upon which appropriations would be based.

3. Four years after the introduction of ISEP, no standards have been devised; nor have tribes and school boards been consulted with respect to such formulation.

4. A standard transportation allotment figured on a per mile basis has been plied without regard to the divergent conditions which make transportation much more expensive for some schools than others. (ie Ramah must use both standard school buses and four wheel drive vehicles. The buses stop at each connecting non-paved road and a waiting four wheel drive vehicle is taken on the dirt roads to transport children out to the highway in the winter.)

5. The regulations state: "Administrators and school boards should be assured that there is money in their allocation, under the ISEP, for every legitimate educational program need they have." yet schools have demonstrated in vain that this statement is false. There are schools with no music programs, no summer school programs, schools who can not match salary schedules of local districts, schools who can not offer a bilingual program.

6. The Indian Self-Determination Act and policies assures tribes that there will be the same amount available for services which are contracted as were available when directly operated by federal agency. Consistently, tribes are denied indirect cost rates which have been legally established. Tribes and Indian organizations are told that they must take away from program services in order to receive their full indirect rates. This is contrary to law and policy.

7. The cut off for small school factor in ISEP is arbitrary, capricious and results in inequities.

8. The flexibility needed to meet diverse needs of students has not been allowed. Very minor purchases require approvals from an Area Office which is 155 miles distant. Local school officials do not have the flexibility to transfer among lines to meet needs as they develop; and, thus can not make the most efficient use of funds available.

9. The .2 add on weight factor for bilingual does not even generate enough money to provide one bilingual aide per grade level for the RNSB school.

FACT SHEET # 2: Reagan Administration Request to Terminate Title IV, Indian Education.

1. Title IV, Indian Education monies were appropriated to address discrete educational needs of Indian children and adults.

2. The administration indicates that these needs are already served through Chapter 1, Bilingual Education Descretionairy Grant Program, Impact Aid, Vocational Education 1% set aside for Indian Tribes and Organizations and other unspecified grant programs.

3. Bilingual Education in the US Dept.of Education funds very few Indian projects. Funding under this act has gone primarily to Hispanic groups. The funding level does not allow for any but the most minute portion of Indian projects to receive funding. In some years, no Indian projects may be funded. As competitive grant funds, the money goes to those organizations who have the most sophisticated grant writers.

4. Contract Schools are not eligible for Impact Aid; nor are BIA Schools. Impact Aid is to make up the tax base difference for base costs of a school -- not to provide services for special needs of students as does Part A of Title IV, and Part B.

5. The Vocational Education set aside funds only 26 projects in all of Indian Country. These projects are precisely as stated-- vocational training for adults. The Vocational money is not available for adult literacy programs and high school completion as addressed by the Federal Adult Education Act. There is no set aside in the Federal Adult Education Act for Indians. Only Title IV, Part C is available for these literacy needs.

6. Only Title IV has available monies for establishment of Alternative Schools and New Tribal Schools.

7. Part B and C monies from Title IV are the only funds available to many tribes through which they may address the educational needs of their populations by directly operating services.

8. More rather than less funds are needed for Title IV, Indian Education. The educational services provided under this department can only erratically fill program needs presently. Because of the competitive nature of Parts B and C, students may have classes for a short period of time and then be left out entirely as other projects compete more successfully for funds.

FACT SHEET # 3: DISCONTINUATION OF PRE-SCHOOL FUNDING

1. The BIA has decided unilaterally to terminate its pre-kindergarten programs in fiscal year 1984.

2. The ISEP regulations state that: "The Director, in consultation with tribes and school boards, shall determine appropriate weight factors needed to include pre-kindergarten programs in the Indian School Equalization Formula in fiscal year 1982. Based on a needs assessment, to be completed by January 1, 1980, pre-kindergarten programs schll be included in the Bureau's Education request......."

3. The consultation mandated by # 2 above has not taken place. Much time and money has been spent by the BIA on external and internal needs assessments. The BAnk Street Assessment as well as the BIA's own assessment have shown that pre-kindergarten programing should be provided.

4. The BIA Federal School Operations Manual (62-4 BIAM) states: ....establish procedures to facilitate planning and implementation of the Early Childhood Education as a part of the Bureau's education system......Schools operated directly by the Bureau of Indian Affairs or under tribal contract shall include the Early Childhood Education Programs."

5. The Federal Administrative Procedures Act (25 CFR 31.a.4(a) states that: "In carrying out its Education mission, the Assistant Secretary for Indian Affairs through the Director sahll...assure that no new policy shall be established nor any existing policy changed or modified without consultation with affected Tribes...."

6. By defunding pre-kindergarten programs in order to terminate them the Bureau is in clear violation of the Federal Administrative Proceedures Act and its own regulations.

7. The need for pre-school programing has been established by the BIA's internal and independent external sources.

8. The promise to tribes that such funding will be made available has been written into regulation.

9. It is neither legal nor consciencionable to abruptly terminate services for those children who are presently receiving them.

10. Such an abrupt termination does not provide parents, teachers, and communities the time to identify alternative resources which which might partially fill crucial needs and prevent family chaos.

11. It has been suggested that pre-school might better be placed under Social Services. This is a poor suggestion in that the major goal of most, if not all Indian pre-kindergarten programs is the development of English language skills and of cognition and motor skills. These are education concerns; not social service concerns, and can best be accomplished through an educational structure.

FACT SHEET # 4: The Elimination of Adult Education under Title IV, Part C

1. In spring budget hearings, Administration officials indicated to Congress that adult education needs of Indians are served through a set aside in the Federal Adult Education Act.

2. There is no such set aside in the Federal Adult Education Act. Monies under this act are block granted to the States. The States, except in rare instances, do not fund Indian projects, or serve Indian students.

3. The administration's budget request for education indicates that adult education needs for Indians can be taken care of through the 1% set aside for Vocational Education.

4. The 1% set aside for Vocational Education is not for literacy, and high school equivilency programing. Twenty-six Indian vocational projects are presently funding under the 1% set aside for job training. Literacy and English language needs must be met before the vocational programing can be provided. It appears at this point that even the vocational training will be unavailable to those few fortunate organizations and tribes who have received it as the reauthorization of Vocational Education does not provide for an Indian set aside. The monies under the new act would be block granted to States.

5. Administration officials indicated in spring budget hearing that Indian adult education needs are met by the Bureau of Indian Affairs.

6. The BIA does have a line for adult education in their budget. However, not all tribes are able to receive this funding, and not all of those who do receive it are able to use the funds for adult literacy and high school completion or English as a second language instruction. The monies are not handled in the same way that secondary and elementary funds are disbursed under ISEP. Those tribes who have not received adult education monies can not do so without eliminating social services or other life sustaining services as the total amounts available to tribes either remaim the same or are less than have been received. Under the old band analysis sytem of budgeting, tribes could place the money they were to receive in any category they wished. That is still true, but the opportunity of adding adult education is prohibited by the necessity of eliminating other programs in order to provide for adult education. Additionally, those tribes and organizations which receive adult education monies, as in the case of RNSB, are not able to use the funds for literacy classes as the monies have long been programmed for other critical services. For example, RNSB expends adult education funds for Alcoholism Programing because IHS has not had funds available to provide this program for us --although it is standardly provided for many other Indian communities.

7. The Administration tells us that we must develop the reservation economy. We can not do so without a literate, English speaking population.

Fact Sheet # 5: Clinics and Hospitals Operated under PL 93-638

1. Indian Health Service officals under direction from the Administration have arbitrarily established operating budgets without regard for medical service needs in Indian communities. Blanket cuts in fy '82 and staunch adherence to the same amount in fy'83 irrespective of the ebb and flow of disease, accidents and natural disasters is irresponsible. The infant mortality and morbidity rates for Indian populations are the highest in the nation. The expenditures for health care do not reflect the special health needs of Indian people which are caused in part by the grim living conditions on reservations.

2. The provisions for mental health care and prevention on reservations is sparse at best; and non-existent in some communities. The history of poor living conditions, unemployment, unfulfilled government obligations, attempts at cultural genocide, poor preparation to cope with the increasing contact with a sophisticated, technological society and hopelessness have created overwhelming needs in the area of mental health. Suicide attempts are astronomically high; and, for the most part undocumented.

3. Lack of English language skills, isolation, illiteracy, and lack of exposure to modern technology make it imperative that health education and community health services be available if tribal members are to take fullest advantage of what health care is available, and if adequate prevention is to be plied.

4.) Poor diets which are nutritionally deficient, high stress living conditions, hard manual labor in harsh environments, all contribute to low immunity resulting in much higher rates of communicable diseases, accidents, trauma and metabolic diseases than are found in the general population.

5.) The unwillingness of the government to fund at a reasonable level community health services, and mental health programing, insures higher and higher incidence of disease and accidents and increased expenditures for direct health care.

6.) Rises in unemployment on reservations to fifty, sixty, seventy percent and higher has increased demands on IHS hospitals and clinics as health needs covered by health insurance from employers are terminated with the employment requiring more rather than less operational funds.

7.) The ability to contract as a provider for Contract Health Service funds independent of its status as a Public Law 93-638 Agency is needed to enable most Indian AGencies to maintain self determination over the use of In-patient care funds. AT the present time, the IHS priorities for the use of CHS funds often over-ride the needs of the Indian community for the use of care funds as seen by the Indian Organizations providing the services.

FACT SHEET #6: FACT SHEET FOR SCHOOL CONSTRUCTION NEEDS

I. Background

Since 1952, Ramah Navajo Community sought through the Bureau of Indian Affairs to have a day school constructed so that Ramah Navajo children would no longer have to be separated from their families to receive an education. In 1970, the community successfully negotiated a contract with the Bureau of Indian Affairs to provide educational services to Ramah Navajo children. This event served as a model for President Nixon's speech introducing the federal policy of self-determination. The establishment of the school gave rise to a commitment by BIA in early 1971 to provide planning funds for construction of a community school. In October of 1971, the educational specifications for the new school were completed, and BIA School Facilities staff assured the community that design funds for fiscal year 1973 would be requested on Ramah's behalf. For reasons never explained, the Bureau failed to request fiscal year 1973 construction funds for Ramah. The Ramah Navajo School Board traveled to Washington, D.C. in an effort to clear up the confusion, and Commissioner Louis Bruce signed a letter stating the project has the Bureau's highest priority. Recognizing the community's plight, Congress supplemented the BIA's request for construction funds in order to provide Ramah with funds in fiscal year 1973. The Program of Requirements was completed and the initial cost estimate for construction was $15,000,000. In November of 1973, Marvin Franklin, Executive Assistant to the Commissioner, promised that the Bureau would extend its "best efforts" to secure funding for the school. Since that time Congress has funded phases I, II, and III of the school's construction program.

Buildings completed are the high school, elementary school, gymnasium, kindergarten, bus maintenance shop, Library, and the educational radio studio presently under construction. In 1978, the program was interrupted by the Bureau's institution of a revised procedure for ranking the priorities for school construction funds, and when applied to Ramah, the community's needs were ranked so low as to deny any reasonable expectation of completing the campus. There are no classrooms for the middle school, the home economics room currently serves as the cafeteria, no dormitory, no business offices, no staff housing and incomplete facilities for supportive services.

II. RNSB's school construction application has never been ranked higher than 10th place. Our application was not even considered for FY'84 new construction ranking.

III. BIA Minimum Space Standards	No. of Students	Minimum Square footage Needed
Dining Area: 14 square feet per seat	482 (Grades K-12)	6748
Kitchen Area: 4375 square feet per Program of Requirements.		4375
Middle School Classrooms: 30 square feet per student	70 (Grades 7,8)	2100

Senator GOLDWATER. Mr. Begay and Mr. Cohoe, what is the relationship between the Ramah School Board and the general Navajo educational system?

Mr. BEGAY. Mr. Chairman, the relationship between the Navajo Nation and Ramah Navajos is that the Navajo Nation issued a charter to the Navajo Ramah School Board, Inc., under which they operate schools and some of the community improvements that they seek funds for from Congress and also from States if it is available under those funding agencies.

Senator GOLDWATER. When you ask for money as a tribe, do you include the Ramah budget also or do they come in separately?

Mr. BEGAY. In some parts yes and in some parts no.

Mr. COHOE. The Ramah Navajo dollar which comes from the Federal Goverment comes through the Albuquerque area BIA office. The Navajo area office is based in Window Rock, serving the larger Navajo Reservation. That is where the difference occurs.

It is the same with the Indian Health Service dollars. There are three satellite Navajo communities. They are away from the larger Navajo Reservation.

Senator GOLDWATER. Mr. Begay, you have schools at Kayenta, Tuba City, Ganado, Fort Defiance, and Window Rock. What other schools are there that I have left out?

Mr. FREELAND. Mr. Chairman, the schools that you have mentioned are State public schools.

Senator GOLDWATER. But the Navajo schools come under Navajo control.

Mr. FREELAND. I am sorry. I did not hear the question.

Senator GOLDWATER. I want to know how many schools you are representing in this request?

Mr. BEGAY. The Bureau schools: there are 52 in all on the reservation.

Senator GOLDWATER. You said that you had 17,000 children enrolled last year. Is that right?

Mr. BEGAY. Yes, sir.

Senator GOLDWATER. How many children do you think should be enrolled?

Mr. FREELAND. The figures that we have are from the Bureau of Indian Affairs. They have indicated to us that there are 17,000 students who are enrolled in BIA funded schools. They anticipate an additional 500 students.

The number of children who are not in school is a figure that we do not have at hand, but we certainly can research this for you. I say this because the Bureau's figures would also have to be tied in with the public school figure so that we can give you a more accurate calculation.

Senator GOLDWATER. I wish you would do that because I think it is very important that we know how many young people, Navajos that is, there are who would like to go to school but who are not going to school. If you could supply that for the record, we would appreciate it.

[Subsequent to the hearing the following information was received for the record:]

THE NAVAJO NATION
WINDOW ROCK, NAVAJO NATION (ARIZONA) 86515

PETERSON ZAH
CHAIRMAN, NAVAJO TRIBAL COUNCIL

EDWARD T. BEGAY
VICE CHAIRMAN, NAVAJO TRIBAL COUNCIL

April 07, 1983

RECEIVED APR 11 1983

Senator Barry Goldwater
Select Committee on Indian
 Affairs
United States Senate
Washington, D.C. 20510

Dear Senator Goldwater:

In reviewing our statistical data regarding the number of Navajo students enrolled in the Bureau of Indian Affairs school and Contract schools, the Navajo Division of Education's data information indicates that a total of 53,008 students were enrolled during school year 1981-82. Of this total, 35,902 were enrolled in Public schools; and 17,106 were enrolled in Bureau of Indian Affairs' school. See the attachment.

In addition, the 1980 Census shows that those Navajo between the ages of 5-17 years of age total 36,066, which is 16,942 less than the school age students reported to us at the Navajo Division of Education.

What we have to do is call each school district and each BIA Agency and inquire about the estimated number of students who are of school age and are not in school to get an estimate. This procedure is being carried out.

Sincerely,

Dr. Franklin R. Freeland
Dr. Franklin R. Freeland
Assistant Director
Navajo Division of Education

Attachment

ANALYSIS OF BIA and PUBLIC SCHOOL INDIAN ENROLLMENT for 1981-'82 SCHOOL YEAR - BY GRADE LEVEL

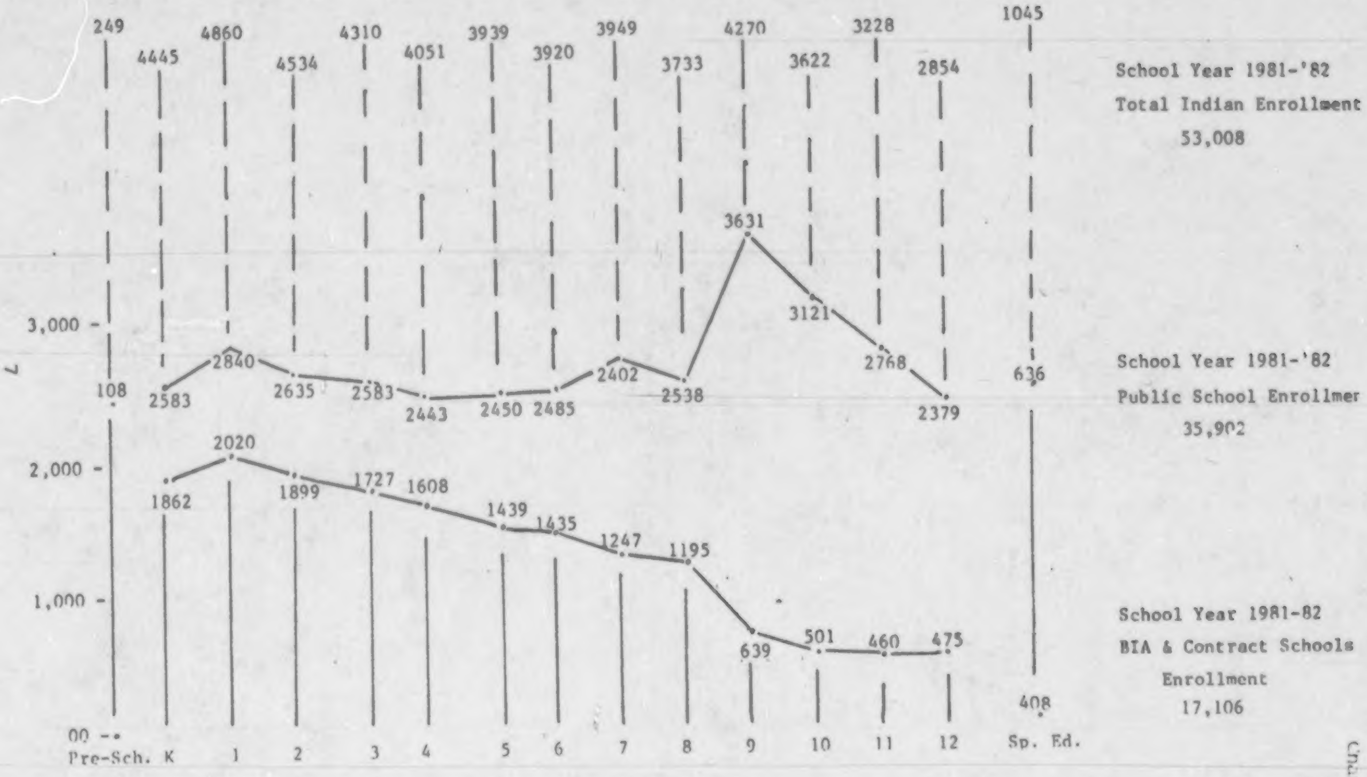

Chart D

Table 55. General Characteristics for the Total and American Indian Persons on Reservations: 1980

[For meaning of symbols, see introduction. For definitions of terms, see appendixes A and B]

Reservations	Total persons	American Indian										Families		
		Total	Percent of total persons	Male	Female	Under 5 years	5 to 17 years	18 to 64 years	65 years and over	16 years and over	Median age	Married-couple[1]	Female householder, no husband present	Persons per household
Camp Verde Reservation, Ariz.	200	173	86.5	81	92	29	52	79	13	101	19.9	25	2	3.89
Yavapai County (pt.)	200	173	86.5	81	92	29	52	79	13	101	19.9	25	2	3.89
Cocopah Reservation, Ariz.	355	349	98.3	178	171	39	114	178	18	212	21.1	35	19	5.27
Yuma County (pt.)	355	349	98.3	178	171	39	114	178	18	212	21.1	35	19	5.27
Colorado River Reservation, Ariz.-Calif.[2]	7 873	1 965	25.0	985	980	297	591	981	96	1 164	20.3	282	107	3.80
Arizona (pt.)	6 640	1 941	29.2	970	971	295	585	966	95	1 148	20.2	275	100	3.83
Yuma County (pt.)	6 640	1 941	29.2	970	971	295	585	966	95	1 148	20.2	275	100	3.83
California (pt.)	1 233	24	1.9	15	9	2	6	15	1	16	27.0	7	2	2.58
Riverside County (pt.)	322	16	5.0	11	5	2	4	10	-	10	22.5	5	-	2.86
San Bernardino County (pt.)	911	8	0.9	...	...	...	...	...	...	...	...	2	2	...
Fort Apache Reservation, Ariz.	7 774	6 880	88.5	3 405	3 475	900	2 402	3 349	229	3 947	19.1	873	314	4.72
Apache County (pt.)	368	100	27.2	55	45	14	27	56	3	64	21.5	13	3	4.16
Gila County (pt.)	1 242	1 222	98.4	561	661	140	426	605	51	723	19.7	159	63	4.72
Navajo County (pt.)	6 164	5 558	90.2	2 789	2 769	746	1 949	2 688	175	3 160	18.9	701	248	4.74
Fort McDowell Reservation, Ariz.	349	345	98.9	189	156	36	103	174	32	229	24.2	45	16	4.15
Maricopa County (pt.)	349	345	98.9	189	156	36	103	174	32	229	24.2	45	16	4.15
Fort Mojave Reservation, Ariz.-Calif.-Nev.	219	127	58.0	59	68	26	36	61	4	72	18.5	17	8	3.91
Arizona (pt.)	183	127	69.4	59	68	26	36	61	4	72	18.5	17	8	3.91
Mohave County (pt.)	183	127	69.4	59	68	26	36	61	4	72	18.5	17	8	3.91
California (pt.)	36	-	-	-	-	-	-	-	-	-	-	-	-	-
San Bernardino County (pt.)	36	-	-	-	-	-	-	-	-	-	-	-	-	-
Nevada (pt.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Clark County (pt.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fort Yuma Reservation, Ariz.-Calif.	4 581	1 096	23.9	527	569	117	351	531	97	678	22.6	126	89	3.47
Arizona (pt.)	2 235	137	6.1	69	68	12	31	64	30	98	34.3	13	13	2.71
Yuma County (pt.)	2 235	137	6.1	69	68	12	31	64	30	98	34.3	13	13	2.71
California (pt.)	2 346	959	40.9	458	501	105	320	467	67	580	21.5	113	76	3.62
Imperial County (pt.)	2 346	959	40.9	458	501	105	320	467	67	580	21.5	113	76	3.62
Gila Bend Reservation, Ariz.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maricopa County (pt.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gila River Reservation, Ariz.	7 380	7 067	95.8	3 501	3 566	853	2 249	3 540	425	4 315	20.6	700	435	4.29
Maricopa County (pt.)	2 265	2 090	92.3	1 027	1 063	280	650	1 004	156	1 262	20.6	185	134	4.27
Pinal County (pt.)	5 115	4 977	97.3	2 474	2 503	573	1 599	2 536	269	3 053	20.5	515	301	4.30
Havasupai Reservation, Ariz.	282	267	94.7	132	135	38	70	149	10	173	21.9	32	11	4.38
Coconino County (pt.)	282	267	94.7	132	135	38	70	149	10	173	21.9	32	11	4.38
Hopi Reservation, Ariz.	6 906	6 601	95.6	3 224	3 377	753	1 993	3 328	527	4 224	21.7	928	277	4.50
Coconino County (pt.)	1 306	1 284	98.3	646	638	139	387	649	109	847	21.0	177	56	4.78
Navajo County (pt.)	5 600	5 317	94.9	2 578	2 739	614	1 606	2 679	418	3 377	21.9	751	221	4.43
Hualapai Reservation, Ariz.	849	809	95.3	410	399	115	232	432	30	506	20.8	101	34	5.11
Coconino County (pt.)	8	8	100.0	...	...	...	...	...	...	...	...	...	...	...
Mohave County (pt.)	835	796	95.3	405	391	112	229	427	28	497	20.9	98	34	5.12
Yavapai County (pt.)	6	5	83.3	...	...	...	...	...	...	...	...	...	...	...
Kaibab Reservation, Ariz.	173	93	53.8	41	52	11	27	49	6	58	23.8	13	4	3.72
Coconino County (pt.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mohave County (pt.)	173	93	53.8	41	52	11	27	49	6	58	23.8	13	4	3.72
Maricopa Reservation, Ariz.	397	375	94.5	190	185	45	119	199	12	233	20.8	45	8	5.54
Pinal County (pt.)	397	375	94.5	190	185	45	119	199	12	233	20.8	45	8	5.54
Navajo Reservation, Ariz.-N. Mex.-Utah	110 433	104 968	95.1	[illegible] 940	[illegible] 028	14 482	36 066	49 383	5 037	60 388	18.8	13 983	4 822	4.70
Arizona (pt.)	76 042	71 667	94.2	[illegible] 867	36 800	9 897	24 776	33 512	3 462	41 070	18.7	9 399	3 354	4.72
Apache County (pt.)	40 810	38 393	94.1	18 626	19 767	5 175	13 008	18 201	2 009	22 343	19.1	4 929	1 892	4.63
Coconino County (pt.)	16 341	15 306	93.7	7 382	7 924	2 178	5 470	7 046	612	8 575	18.0	2 023	701	4.82
Navajo County (pt.)	18 891	17 968	95.1	8 859	9 109	2 544	6 318	8 265	841	10 152	18.3	2 447	761	4.82
New Mexico (pt.)	29 604	28 762	97.2	13 827	14 935	3 946	9 518	13 911	1 387	16 908	19.3	3 958	1 306	4.61
McKinley County (pt.)	9 926	9 573	96.4	4 629	4 944	1 390	3 138	4 617	428	5 572	19.2	1 346	454	4.57
San Juan County (pt.)	19 678	19 189	97.5	9 198	9 991	2 556	6 380	9 294	959	11 336	19.4	2 612	852	4.63
Utah (pt.)	4 787	4 529	94.6	2 246	2 293	639	1 752	1 960	188	2 410	17.0	626	162	5.12
San Juan County (pt.)	4 787	4 529	94.6	2 246	2 293	639	1 752	1 960	188	2 410	17.0	626	162	5.12
Papago Reservation, Ariz.	7 203	6 959	96.6	3 441	3 518	805	2 253	3 449	452	4 204	21.4	691	414	4.47
Maricopa County (pt.)	124	124	100.0	58	66	17	42	54	11	65	20.5	16	5	4.77
Pima County (pt.)	6 436	6 193	96.2	3 047	3 146	724	2 004	3 074	391	3 745	21.3	596	378	4.49
Pinal County (pt.)	643	642	99.8	336	306	64	207	321	50	394	22.5	79	31	4.18
Pascua Yaqui Reservation, Ariz.	562	551	98.0	258	293	84	192	259	16	299	18.0	55	18	6.87
Pima County (pt.)	562	551	98.0	258	293	84	192	259	16	299	18.0	55	18	6.87
Payson Community of Yavapai-Apache, Ariz.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gila County (pt.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Salt River Reservation, Ariz.	4 089	2 624	[illegible]	1 278	1 346	366	825	1 327	106	1 571	19.8	264	170	4.56
Maricopa County (pt.)	4 089	2 624	[illegible]	1 278	1 346	366	825	1 327	106	1 571	19.8	264	170	4.56
San Carlos Reservation, Ariz.	6 104	5 872	96.2	2 875	2 997	711	2 021	2 885	255	3 507	19.5	705	292	4.78
Gila County (pt.)	3 685	3 493	94.8	1 721	1 772	396	1 112	1 805	180	2 194	20.9	435	168	4.48
Graham County (pt.)	2 419	2 379	98.3	1 154	1 225	315	909	1 080	75	1 313	17.5	270	124	5.29
Pinal County (pt.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
San Xavier Reservation, Ariz.	875	851	97.3	408	443	103	251	450	47	529	21.8	77	63	4.57
Pima County (pt.)	875	851	97.3	408	443	103	251	450	47	529	21.8	77	63	4.57
Yavapai Reservation, Ariz.	76	66	86.8	28	38	7	18	38	3	41	21.5	9	7	3.25
Yavapai County (pt.)	76	66	86.8	28	38	7	18	38	3	41	21.5	9	7	3.25

Senator GOLDWATER. You have 17,000 enrolled. How many of these are in high school? Do you know?

Mr. FREELAND. Of the 17,000 students, I would say that approximately 19 percent—13,790—are in high school.

Senator GOLDWATER. How would that compare with Pine Hill?

Mr. COHOE. Pine Hill Elementary has 160 in the elementary, and when we get into the middle school and high school, we have 220. There are other students who are not from Ramah, and these are community members. Our total enrollment in Pine Hill currently is at 490 for school year 1982–83.

Senator GOLDWATER. How many Navajos do you have in college? Do you have that figure?

Mr. FREELAND. We currently have under the tribal scholarship program approximately 2,227 students.

Senator GOLDWATER. Are most of those at State universities like Arizona State or Northern Arizona?

Mr. FREELAND. Most of the students are enrolled in accredited colleges throughout the country. The majority, Mr. Chairman, are in Arizona and also New Mexico.

Senator GOLDWATER. How many was that?

Mr. FREELAND. The majority of the Navajo students who are recipients of the Navajo scholarships are enrolled in either Arizona or New Mexico—NAU, Tempe, Tucson, as well as UNM, New Mexico State in the two States.

Senator GOLDWATER. Have you come to any guess or idea as to how much money the total Navajo education would really require? You have been going along for years without adequate funds. The administration is honest—and I think they are—about wanting to do something for Indians. I cannot think of a better way to start than in taking care of the younger people's education.

What are we looking at in the way of money? Have you made any decisions on that?

Mr. COHOE. Senator, in Ramah we did an analysis and research, and we were looking at the national average. To adequately educate an Indian child in our area, which is isolated and rural, and when it comes to the ISEP formula, the figure should be raised to $2,800 for students. That would meet the education need.

In regard to the transportation, we would like to raise that to about 90 cents per mile because we have only one paved road going through our reservation, and 90 percent of it is dirt road. The high maintenance costs and the vehicle repair costs have put us in a deficit situation in the transportation area, so we would like to see that formula raised to 90 cents a mile as well.

Senator GOLDWATER. That is a problem across the whole reservation, not just Pine Hill, right? My memory goes back a long way. Children were walking and riding horses to school and not even being able to go to school because it was too far.

I remember the trading post was 90 miles from Tuba City. That was the nearest high school. That is a hell of a long way to walk to go to high school.

If you do not have it, I think it would be a good project to have the whole tribe get together and figure an overall plan that you would like to see and then let us know what you are talking about in the way of money.

We are not getting enough money in Indian education any place. If Secretary Watt and President Reagan mean what they say, then I cannot think of a better place to start. In fact today Mr. Watt made a big speech about Indians. I happen to agree with him except for his choice of words. I called him and I said:

> I am all with you. If you want to start by 3 o'clock this afternoon, I have 12 projects already in my mind, and No. 1 is education.

So, if you do that I think that it would be helpful.

Do you have any schools now that do nothing but vocational education?

Mr. **Freeland**. We do have the Navajo Skills Center, Mr. Chairman, at Crownpoint, N. Mex. that is operated by the tribe. Operational funds are from the Department of Labor, using CETA funds. Because of the cuts in CETA, the program is looking at seeking vocational educational funds.

That is why, as the vice chairman indicated, we are very interested in the 1-percent set-aside in vocational education for our Indian people, so that we could help the educational system at Crownpoint, N. Mex. The Navajo Skills Center is the only vocational center at this time.

Senator **Goldwater**. Do you not think that is a very important part of your educational system? You want to allow a young person to choose a vocational education instead of the standard elementary education.

Mr. **Freeland**. Definitely; the vocational education program is becoming very important to the people because of the proposed industries in the future, the economic development for employment purposes. In order for us to have a functional vocational program, we would almost have to assess the industries coming onto our reservation to determine their job needs and in turn train for realistic jobs. That is basically what we are looking at, Senator.

Senator **Goldwater**. I think the biggest attraction that you can offer to industry is an abundance of skilled labor. I an not talking about any specific skill, but young Indian men and women trained in skills that they had no exposure to in the normal life around the family or at other gatherings.

I can see many industries coming to your reservation and all reservations if we can show industry that we have people skilled. I know that you know what I am talking about.

Yesterday, the Department of Education witnesses testified that BIA education program, such as Johnson-O'Malley, will be able to pick up these services now offered by title IV. Do you all agree on that?

Mr. **Freeland**. No, sir.

Senator **Goldwater**. I did not think you did.

Mr. **Cohoe**. No, we do not agree.

Senator **Goldwater**. Is there any reason, or is it the fact that Johnson-O'Malley is going down hill, or what?

Mr. **Freeland**. Mr. Chairman, if I may. The criteria for Johnson-O'Malley is stricter than the title IV program. The title IV program is more flexible. It is also forward funded money. It also very much involves Indian parents in the development of their children's curriculum. It has helped parents become more involved, particularly in public schools.

Mr. Chairman, the Navajo word for public school translated refers to: "Where the little white children go to school." It is a translation that is not possessive. It is more like theirs.

Because of the translation concept there was less parental involvement. However, title IV has involved a lot of Navajo parents, which is observable.

The achievement level in the basic skills area—reading, math, English—has also gone up; not tremendously, but it is beginning to show that title IV is working.

Johnson-O'Malley, as I indicated, Mr. Chairman, is more stringent in its eligibility. A child has to show that he is an enrolled tribal member by certification. Title IV is, as I said, more flexible. A child indicates that he is Indian.

Also, title IV extends into the urban areas. A lot of our Indian people are moving from reservations into the urban areas because of employment reasons. Title IV helps those children within the urban areas, whereas Johnson-O'Malley may not.

Senator GOLDWATER. I would agree with you on that.

I have no other questions for this panel. I hope that we are able this year to begin a real pickup in the whole general area of Indian education. I cannot think of anything that is more important to any tribe than the proper education of their children, not just the education along the lines that non-Indians think but as the Indians themselves think.

So, I will thank you.

Our next panel will be Erma Mundy, Gloria Keliiaa, and Jim Feliz.

STATEMENT OF CHARLES R. LOVE, PRESIDENT, AMERICAN INDIAN HEALTH CARE ASSOCIATION

Mr. LOVE. Thank you, Mr. Chairman. My name is Charles Love. I am president of the American Indian Health Care Association which is an organization made up of the member programs around the country, the 37 urban programs.

I want to thank you this morning for the opportunity to provide expert testimony on the issue of urban Indian health centers around the country.

I would like to make the introductions. We have a couple of changes on the panel. To my left is Erma Mundy, she is the executive director of the Phoenix Urban Indian Health Board. Next to her is Jo Ann Barr. She is the assistant director of the Minneapolis Health Board. Next is Jo Ann Kauffman. She is executive director of the Seattle Indian Health Board. We have Jim Feliz. He is the executive director of the American Indian Council of Central California. We also have Gloria Keliiaa, executive director of the California Urban Indian Health Council.

Mr. Chairman, our current situation is that the urban-specific health plan called for a funding level of approximately $28 million annually for fiscal year 1981 through 1984. We have never received the actual appropriations for that time. They have never been but about a third of the authorized level.

We are facing a situation currently for fiscal year 1984 when the authorizations were $28.5 million, but we actually have nothing in the President's budget. We are zeroed out again this year for 1984.

We respectfully request this committee to authorize or appropriate $10 million for fiscal year 1984, and we are also requesting that this committee support the reenactment of the Indian Health Care Improvement Act, as amended, for another 7-year period.

I will defer now to the program directors for their testimony and then after brief statements, of course, I will be able to answer questions.

Thank you.

STATEMENT OF ERMA MUNDY, EXECUTIVE DIRECTOR, PHOENIX URBAN INDIAN HEALTH CARE PROJECT

Ms. MUNDY. Thank you, Mr. Chairman, for the opportunity to be here and to tell you about our program in Phoenix, the Urban Indian Health Board.

We have two aspects of our program in Phoenix. One is community health nursing and home health care which provides services to people in their own homes—skilled nursing services. We do a lot of preventive services such as immunizations, maternal and child health, and diabetes care.

We also provide home health care, which I think is very cost beneficial. As you know, hospitalization is very expensive these days. With skilled nursing care available, patients can be discharged earlier and receive skilled nursing service in their own home.

The latest figures I have from the Phoenix Indian Medical Center, the cost per day for hospitalization there is $311. One of our nursing services costs $20.41. So, for every day of hospitalization that can be saved, the cost-benefit is $290. That is a great savings for the State.

The other aspect of our program is advocacy. You know that urban Indians are not eligible for many of the services at Phoenix Indian Medical Center. It contracts out a lot of services such as care of premature infants, serious heart conditions, a lot of the testing that is done and is necessary for modern diagnoses.

So, people who have been off their reservation for 180 days are not eligible for that service, and that is our job, to help them get enrolled in other facilities such as the Arizona State access program. That is Arizona's new health care system. It is experimental, and it is a new program. It is having a hard time getting off the ground. However, we are getting people enrolled, and we are getting them to other health care when they are not eligible for Indian Health Service.

I think that if we were not there people would not get a lot of the preventive health services. The Indian Health Service in Phoenix does not offer home health care to urban Indians. It is offered on a very limited basis by the State.

So, I think those people just would not get that service at all. The ones who are hospitalized would be in the hospital longer. For other services, people would just put them off and not get them until perhaps they had to go to the emergency room. So I think that it would in actuality cost more money in the longrun in terms of dollars and certainly in terms of human suffering.

We are asking that Public Law 94-437 and title V be reenacted so that we can continue to stay in business.

Senator **GOLDWATER**. Let me ask a question. Does the Phoenix Indian Hospital do much good?

Ms. **MUNDY**. What is that?

Senator **GOLDWATER**. The Phoenix Indian Hospital on Indian School Road.

Ms. **MUNDY**. It is on 16th Street, just north of Indian School Road, yes.

Senator **GOLDWATER**. Do they help you much?

Ms. **MUNDY**. Yes. We do work very closely with them. Also, the patients we serve do receive services there. We get a lot of referrals from them for our home health care program and for various kinds of followup.

Senator **GOLDWATER**. Are they full most of the time?

Ms. **MUNDY**. Yes, they are.

Senator **GOLDWATER**. I had an interesting experience once years ago. I introduced a bill that was known as "What Is an Indian Bill" because the town people in the hospital was one thirty-sixth Indian. I do not exactly call that an Indian.

They were filling up the hospital with non-Indian people. I have a hunch that still goes on. I wondered if they really were of help to you. It is a good hospital.

Ms. **MUNDY**. Yes, it is.

Senator **GOLDWATER**. I know they work like the devil, but I just do not know whether they have enough room for Indians or people who walked across the reservation once.

Ms. **MUNDY**. I think that those people probably have tribal enrollment, and that is how they attain eligibility. The tribes do set their own enrollment, and I believe each have different blood quantum eligibility requirements. I do hear a lot of complaint about that at the hospital.

Senator **GOLDWATER**. Well, we will have to work that out.

Ms. **MUNDY**. Yes. Thank you.

Senator **GOLDWATER**. Without objection, a copy of your prepared statement will be inserted in the record at this point.

[The prepared statement follows:]

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Testimony for Congressional Committees On Refunding The Indian Health Care Improvement Act, Title V

Prepared by Erma Mundy, Executive Director

The Phoenix Urban Indian Health Board lies within the Indian Health Service geographical service area known as the Phoenix Service Unit. The City of Phoenix is centered in the service Unit which also is composed of eight reservations in Central Arizona. The Phoenix Urban Indian Health Board was created in 1978 to direct an urban Indian Health Program funded by PL 94-437, Title V. The establishment of this Board has allowed the urban Indian community the opportunity to provide imput into the health care services they receive. Members of the Board of Directors are elected at a public annual community meeting.

The Urban Board program was designed to improve the continuity of medical treatment and patient care follow-up for the urban consumers of Phoenix Indian Medical Center (PIMC). The program also serves Phoenix Urban Indian residents referred by other health care agencies. Our Community Health Nursing program has been instrumental in reducing the shortage of beds and manpower at PIMC as physicians are able to release patients earlier with follow-up care provided by our nursing staff. Our Advocate program serves as liaison between urban Indians and state and county health care providers for services not available to urban Indians through IHS.

Our program of Community Health Nursing and Advocacy has met with approval by the doctors at PIMC and by urban consumers of PIMC services. It is cost effective and aids the recovery process by allowing people to return to their own homes and their families with the skilled nursing services of our professional nurses. It helps people sort through what Indian Health Service offers them and assists in getting what the State of Arizona offers them.

PROBLEM STATEMENT

Indians from 19 reservations in Arizona immigrate to the Phoenix area for employment opportunities. Landing in Phoenix, however, does not mean an Indian person came in the same boat as his white counterpart seeking opportunity.

Members of Arizona tribes speak their native language on their reservations. Many still follow traditional Indian religious beliefs. Tribal members over age 30 probably grew up in a hogan, wickiup or Pima/Papago sandwich hourse. They have come from an Indian way of life. They bring their Indian perspectives with them. Culture conflicts bring stresses for an Indian settling in the urban area.

An analysis of the health status of the Phoenix metropolitan Indian population indicates that Phoenix Indian people have a high incidence of accidents, maternal and child health problems, endocrine, respiratory and digestive disorders as well as infirmities associated with behavioral health. Many of these conditions later result in exacerbation of chronic illness and disability and often lengthy and costly hospitalization stays. Ancillary to this are the emotional and financial burdens that are subsequently placed on patients and their famililes.

The health problems of off-reservation Indians living in the Phoenix area are compounded by recent IHS cutbacks in services to them and by the complexity of obtaining state indigent health care.

Services not provided in the Phoenix Indian Medical Center (PIMC) are contracted to other local hospitals. Indians who live in cities are not eligible for "contract services". The rationale is eligibility for existing urban health services. Indian people have always underutilized local indigent health care. This underutilization is the result of a number of factors. Indians are often unaware of the services available to them, too poor to pay for such services, unable to find transportation, and - perhaps most importantly - suspicious of the health providers attitudes towards Indians. State health departments frequently do not employ Indian personnel, are unaware of the number of Indians in their service area, do not conduct effective outreach efforts to inform Indians of available health services and harbor prejudical attitudes towards Indians.

Arizona does not have Medicaid services. October 1, 1982, the State implemented it's new indigent health care program called Arizona Health Care Cost Containment System (AHCCS). On February 13, 1983, The Arizona Republic page one headlines read "Red Tape forming noose for health plan. Statewide program drawbacks prompt nickname 'Failure System'." Providers have difficulty receiving payments. Patients have difficulty getting enrolled and receiving care.

HOME HEALTH SERVICES

A home health services system is a well organized network of health and social services working cooperatively with and as an integral part of the overall health social system of a community and includes: (1) Licensure and certification by the State of Arizona and by Medicare, (2) Professional health and social services practitioners to provide a full range of preventive, treatment and maintenance of services in the home of the patient, (3) Formal administrative and operational linkages among the various providers participating in the system.

Due to increasing costs and the shrinking budget PIMC has cut number of beds available to patients. In FY-81 average occupied beds were 150.5 per day. In FY-82 this was 127.5 beds per day, a decrease of 13 beds per day. This means less patients must be served or length of stay in the hospital must be shortened. IHS projects the Indian population to increase 2.4% yearly. Yet beds were decreased 15.2% in FY-82 (Monthly Workload Report, Office of Program Planning, Statistical Branch, Phoenix Area Office). The average cost for a hospital day in the Phoenix Service Unit in FY-81 was $311 per day. The average cost of a service provided by the Urban Board is $20.41. If hospitalization can be prevented by one nursing service the cost benefit per day is $290.59. Costs cannot be eliminated, but they can be minimized through a better health care system which includes Home Health Care services. Home Health Care can cut length of hospital stay without sacrificing patient care by offering nursing service in the home.

Private for profit agencies are available to provide home health services in the Phoenix area but are geared toward the paying consumer who is usually protected through insurance coverage or adequate financial status. The profit agencies employ non-Indian staff for the most part, and because Indian patients are not their major service population, do not stress cultural sensitivity. Maricopa County Health Department also administers a Home Health Care Program but provides services only to a limited number of Indian people as their major referral health facility, Maricopa Medical Center, serves few Indian patients and their program has a long waiting list. Thus, even though various Home Health Care services are available in the metropolitan Phoenix area, they are not sufficiently accessible to the Indian population.

The lack of a full-scale formalized Home Health Care Program to serve the urban Indian patient has resulted in inefficient patient care, that may have led to a deterioration of health conditions. Further, it may have increased the intensity of treatment required. The financial cost of hospitalization is staggering whether it is paid by the consumer or by other means. In the case of the Phoenix Indian Medical Center, the major health care facility for Phoenix Indians, hospitalization costs must be paid out of an inadequate Indian Health Service budget. The decreasing budget combined with a growing patient need for services, renders the facility in a constant financial bind.

The Phoenix Urban Indian Health Board, Inc., provides Home Health Care. We have found this service to be most rewarding to the patient recovery process and in terms of cost benefit. We believe a full-scale Home Health Care Program for Title V, P.L. 437-94 would show Home Health Care to be a means for Indian Health Service to continue optimun health care at lowered cost. A cost benefit analysis of 10 patients who received home health care services from our program follows. These patients had earlier hospital discharge or were prevented from hospitalization due to our Home Health Care Program.

CONCLUSION

Congress intended to improve the access of off-reservation Indian people to adequate health care services by enacting Title V of the Indian Health Care Improvement Act, P.L. 94-437. Thirty-Seven Indian health programs are funded under Title V of this Act. These programs have made substantial gains in meeting urgent health needs of urban Indians, the Phoenix Urban Indian Health Board advocacy and home health nursing services have been successful in meeting some of the critical needs of Indian people living in the Phoenix metropolitan area.

IHS has reported to Congress that the current level of funding for Indian health projects leaves a wide margin of unmet health needs for urban Indians. It is imperative that funding levels not only be maintained but expanded so that urban Indians people do not suffer the injustice of an inferior standard of health. We request your committee to: (1) Re-enact the Indian Health Care Improvement Act, P.L. 94-437 for another seven year period, and (2) Approve an authorization and appropriation level of funding in the amount of $10,000,000 for FY 1984 and a funding level of $12,000,000 for FY-1985 and FY-1986.

PATIENT	DIAGNOSIS	Case Opening & Closing Dates	No. of Services provided	Our Cost $20.41 per Service	Estimated Hospital Cost @ $311 per day	Estimated Cost Benefit
1. 64-year old Paiute male would have required hospitalization had it not been for our home nursing service for daily wound dressing, consistent encouragement to take medications to prevent heart failure.	Fractured left tibia, congestive heart failure; chronic left heel ulcer	11-09-81 to 06-04-82	59	$1,204.19	$64,688.00 (208 days)	$63,483.81
2. 25-year old Navajo female paralegic had severe, large bedsores on both hips which required daily dressings and nursing supervision. Because of our daily home visits, infection was prevented in this high-risk patient. Hospitalization was avoided.	Decubitus	03-23-82 to 09-16-82	52	$1,061.23	$24,880.00 (80 days)	$23,818.77
3. 56-year old Yaqui female. Urinary tract infection and subsequent hospitalization was prevented by our nurse teaching the family proper care for an indwelling urinary foley catheter.	Radiation fibrosis of bladder, ureter and bowel	03-25-82 to 05-20-82	10	$ 204.10	$ 2,177.00 (7 days)	$ 1,972.90
4. 29-year old Chemehuevi female with a spica cast extending from each ankle to waist with a window for urination and bowel movements. Nurses taught family to properly turn and care for patient. Our Advocate successfully obtained disability benefits for patient.	gunshot wound to left femur; spica cast	01-17-82 to 06-30-82	24	$ 489.84	$ 4,665.00 (15 days)	$ 4,175.16
5. 45-year old Navajo male. In-home nursing care prevented wound infection by regular wound dressing.	Absecess of left calf	08-02-82 08-30-82	9	$ 183.69	$ 3,110.00 (10 days)	$ 2,926.31

PATIENT	DIAGNOSIS	Case Dates	No. Of Services Provided	Our Cost $20.41 per Service	Estimated Hospital Cost @ $311 per day	Estimated Cost Benefit
6. 34-year old Papago female, a newly diagnosed diabetic. Insulin dosage and control of diabetes was possible through home monitoring and close communication with the attending physician. An insulin reaction was identified by the nurse and successfully reversed at home--no hospital visit was necessary.	Diabetes Mellitis, Insulin dependent	06-09-82 to 09-20-82	14	$ 285.74	$ 3,732.00 (12 days)	$ 3,446.26
7. 57-year old Yaqui female, newly diagnosed diabetic. Hospitalization was not necessary since insulin injection and diabetic teaching was accomplished through our Home Health Care Program.	Diabetes Mellitis, Insulin dependent	06-21-82 to 07-19-82	6	$ 122.46	$ 2,177.00 (7 days)	$ 2,054.54
8. 2-month old Navajo male, born prematurely and would not breathe at times. Because of home nursing supervision, patient was able to go home on an apnea monitor.	Premature birth, Apnea	04-28-82 to 06-10-82	4	$ 81.64	$ 2,799.00 (9 days)	$ 2,717.36
9. 66-year old Osage male, Long-standing diabetes led to heart complications and later, death. He wished to remain at home as long as possible. Premature hospitalization was avoided through our home nursing program.	Myocardial Infarction; congestive heart failure; Diabetes.	01-15-82 to 04-01-82	15	$ 306.15	$ 3,110.00 (10 days)	$ 2,803.85
10. 70-year old non-Indian spouse of Navajo. This type of patient is commonly found in nursing home facilities. In this case, nursing supervision and personal care provided by our program maintains the patient at home with the family	Hip fracture; Organic brain syndrome.	03-03-82 on-going	39	$ 795.99	$10,076.00 (229 days @ $44 skilled nursing home care rate)	$ 9,280.01
		TOTAL:		$ 4,735.03	$121,414.00	
		TOTAL ESTIMATED COST BENEFIT For 10 sample cases:				$116,678.92

Senator GOLDWATER. We will now hear from Jo Anne Barr.

STATEMENT OF JO ANNE BARR, ASSISTANT DIRECTOR, INDIAN HEALTH BOARD OF MINNEAPOLIS, INC.

Ms. BARR. Senator, I am Jo Anne Barr, the assistant director of the Indian Health Board of Minneapolis.

I would like to emphasize some of the accomplishments that have been made by the urban Indian health programs since they began over 10 years ago. As you may be aware, there are 37 programs across the country that are currently serving urban Indian populations. BIA estimates say that this figure exceeds 500,000 Indians.

These 37 programs alone have documented Indian populations that exceed those figures. According to 1982 figures that have been released from Indian Health Service on the amount of productivity or direct health care and allied health care services that have been provided by these programs, that figure has been 582,567 health encounters for those 37 programs.

When we look at the actual money that has been distributed for Indian health programs from IHS and through the appropriations process, it has cost Indian Health Service $14 for each one of those encounters.

If we were not open and not providing those health care services, based on current outpatient data—and this is only outpatient statistics that we are using; we are not looking at anything to do with inpatient care or hospitalization—it would cost over $43,000,692 to provide those same services. This is looking at outpatient visits, and if people went to emergency rooms, this figure would escalate.

As I said, there have been some important documentation in the statistical evidence in the change of the health care status of Indians in urban areas. This is despite the fact that we have never realized the authorization levels by the committee.

We have been able to document that the life expectancy has improved by 6 years, that the infant mortality rate has dropped significantly in some of the major urban centers. One example is in Minneapolis. In 1970 and 1972, the infant mortality rate was 25.8 deaths per thousand live births. As of 1978 that figure has dropped to 14.6. That is a dramatic decrease. It is not at the same level as the general population, which is around 11 or 12 deaths per thousand, but it is dropping significantly, and this can be attributed to the type of care that is being provided by these clinics in the urban areas.

We have also seen a dramatic increase in the prenatal care coverage that is taking place in these urban clinics. From 1967 to 1970, prenatal care in the first trimester was running about 29 percent. In 1981 it went up to 44 percent, and that definitely has an impact on the health care status of infants, mothers, and their families.

I would like to emphasize the work that is done on behalf of all of these programs because these programs range from providing referral services to direct health care service on a full-time basis. The impact that can be shown and demonstrated among that level of care is attributable to these health care statistics.

I would like to defer any questions that you have until everyone else has testified. Jo Ann Kauffman will tell you some of the problems that are encountering the urban health clinics as far as resources that are available. Thank you.

STATEMENT OF JO ANN KAUFFMAN, EXECUTIVE DIRECTOR, SEATTLE INDIAN HEALTH BOARD

Ms. **Kauffman**. Good morning, Senator. My name is Jo Ann Kauffman, and I am from the Seattle Indian Health Board. I appreciate your chairing this hearing this morning. There are a lot of very important issues, and this is definitely one of them.

The urban Indian health program is scheduled to be zeroed out in the President's budget. One of the charges that is targeted in our direction is that our services are duplicative, and I would like to say that that is totally in error and without any base.

The urban Indian programs are in fact vital links within the delicate local community health system. In Seattle, for example, both Indian and non-Indian resources that have been available in the past are being targeted for reduction or eliminated totally.

The community health center legislation was originally designed to provide primary health care to medically indigent people. In Seattle in 1981, there was $4.3 million available for community health clinics. In 1982 there was only $1 million, with a reduction from five clinics to two clinics in 1982.

The National Health Service Corps, which has been providing physician and dental manpower in shortage areas such as in urban Indian clinics, has retargeted its placement priorities and no longer places physicians in automatically designated Indian populations.

The Seattle-King County Health Department has experienced a $½ million cut. Medicaid eligibility requirements have been tightened. It is more difficult for people to enroll on medicaid than it has been in the past. With the increasing unemployment problem, an increase in the number of people who require low cost or no cost medical care is also occurring. That goes for Indian people and the general public as well.

This is resulting in a double impact on the urban Indian populations. The assumption that urban Indians can rely on the resources in the local area in place of title V funding is erroneous. The resources are simply not there.

In Seattle we have a registered patient population of 16,000. The Bureau of Census has estimated the Indian population below that, yet we have 75 percent of our patients who are American Indian or Alaskan natives. That means that we are the primary health care resource for that population. If we eliminate this resource, there is not a system available in the local area to pick up that number of patients and to provide the type of care that is needed to impact their health status.

I think that the fiscal year 1984 appropriations needs to go in at $10 million in light of the cuts that are experienced in other areas. The urban programs in the past have been very, very effective in maximizing other resources. As a matter of fact, it has been about a 50-50 ratio of Indian health and non-Indian health match moneys to provide services in these areas.

That is a very significant point. I think that the urban Indian health program has been one of the more cost-effective programs within the Indian Health Service.

The second point is that the reauthorization of the Indian Health Care Improvement Act is coming up this year, and your committee represents the authorizing committee for that legislation. I appreciate your support. Thank you.

Senator GOLDWATER. Thank you. It is pretty much agreed among all of you that $10 will do this job?

Ms. BARR. Senator, the authorization level is at $28 million. It is our understanding that the purpose of the act was to elevate the health care status of Indian people to the highest possible level. In interpreting the highest possible level, I am assuming that is where the general population is with their health care status.

Twenty-eight million would make a very good dent in serving the health care needs of the urban Indian population, but, as was mentioned, where we are in authorization levels and where we are in appropriation levels, there is a very huge difference. We have been able to close that difference, as Jo Anne said, by maximizing alternate resources, but even with those alternate resources at the $28 million level, we are still falling $12 million short. We are not even getting $12 million from Congress at this point, but we are still falling short. So $10 million definitely does not address the need; $28 million is more realistic.

Senator GOLDWATER. How many Indians are we talking about now?

Ms. BARR. We are talking about over half a million.

Senator GOLDWATER. Are there half a million in the program now?

Ms. BARR. These programs can document Indian populations that can exceed what the BIA has said that are living in the urban areas. Seattle, for example, says that they have 16,000. Minneapolis, the city of Minneapolis, has 17,000. The programs in California have as high as 48,000 Indians in some of their localities.

I would like to mention on top of that that these programs have been able to document that they are serving over 149 different tribal members that are utilizing those resources. As you know, the relocation process is the prime cause of the influx of Indians into the urban area at one time.

Economic factors are also driving the Indians off the reservations into the urban areas, looking for employment opportunities. However, when you are faced with a 50-percent unemployment rate, those are very positive alternatives that you are looking at.

Senator GOLDWATER. Go right ahead, Mr. Feliz.

STATEMENT OF JIM FELIZ, AMERICAN INDIAN COUNCIL, BAKERSFIELD, CALIF.; AMERICAN INDIAN HEALTH CARE ASSOCIATION, MINNEAPOLIS, MINN.

Mr. FELIZ. Senator, good morning and thank you for the opportunity to bring to your attention some of the Indian health problems in the off-reservation areas of the United States.

My name is Jim Feliz. I am executive director of the American Indian Council of central California. We are situated in Kern County, which is the third largest county in the State of California.

I would like to point out to you that, when looking for alternate resources, the county population is approximately 450,000. In that population area we have one public health general medical center, and that is all, besides the services that we are able to bring to our Indian population.

To follow on the question that you asked a few minutes ago, Senator, on the cost to bring the Indian health status of our people throughout the country to parity with the majority population, we are fully well aware that since the act was enacted we have only had about one-third, at the very most $9 million in 1 year, to help combat this problem.

For that reason, I would like to move into the presentation. I would like to point out a few of the unique characteristics of the Indian population in California, which in many ways we consider to be the last reservation in the United States because we have gone as far west as we can possibly go with the exception of Hawaii.

Also at the same time, so as not to leave the pail half full, we would like to present a unique perspective that I think would behoove Health and Human Services and the Department of the Interior to assist in solving the problem.

In California we had a problem with the ratification of Indian treaties, as you are probably well aware. By that time, the sophistication of dealing with Indian tribes was fairly well developed, so we got caught at the lower end of the totem pole. However, because of that, we have many Indian people wandering in the urban areas who are in a kind of no man's land as far as Indian health care is concerned.

You are also aware that California at one time asked the Bureau of Indian Affairs, and the Indian Health Service particularly, to leave the State and to stop giving health care to American Indians in the State and then asked them to come back when they found out that it was a bigger job than they thought it was.

The main question that we would like to present to the committee is one of cost-effectiveness and the question of why, in terms of dwindling resources and the tightness with which we are faced financially as a Nation, the idea would even be considered that the Nation would eliminate what we consider a SWAT team for public health.

As you know, the Indian population is plagued with some very epidemic proportions of illness that could very well affect even the general population. You are probably aware that the Indian population has four to six times the tuberculosis and diabetes rate of the general population.

You are painfully aware, I am sure, of the fact that the Indian population has 2½ times the infant mortality rate of the general population. You may not be aware of the fact that the Indian population also has approximately three to four times the average rate on hypertensive illness and liver problems.

However, with that condition being a known factor to the Public Health Service, we are questioning the idea of why the off-reservation Indian programs would even be considered to be eliminated.

We think we have become very effective partners in the public health delivery system in the United States, and even if we solved only those few problems I am sure that the Nation in the longrun would be grateful and would be well served by the services that are being given by these centers with which we are dealing.

In California, because of the unique situation, we have approximately 75 percent of our population living in urban centers. Approximately 50 percent of those people were relocated sometime during the 1950's and the relocation period when we were asked to move off the reservations and come to the city areas and become assimilated.

Those people who did leave and relieve the the overcrowding on reservations had a money effect on the amount of dollars that the government had to spend on reservations after that. So I think there is a quid pro quo as far as the exchange is concerned here.

These are the people that we are dealing with now. One of the problems in California is that, although we serve half the Indian population, which total 202,000 and somewhat Indians, and although we serve 50 percent of those from other nations and other tribes throughout the country, that very seldom do health dollars follow them into the area. We are faced with the problem of providing medical care without the financial support.

That is rightfully so. We understand that the reservation economies are under pressure right now, and they have no more financial wherewithal to pay for these services than we have. However, it should be pointed out that that is the case.

Now, if arguments are needed to continue the funding for Public Law 96-437, we think another good argument is the fact that, despite last year when we were here to talk against the administration's proposal to eliminate off-reservation funding, we pointed out that in terms of the medical care costs being made on the general population the Indian population, which is six-tenths of the Nation's population, was being asked to absorbe 2½ percent of the reduction in medical care delivery in the United States.

If that is not unfair enough, should the off-reservation programs be cut from the health budget, we are asking again another cut, that five-tenths of the Indian population be asked to take 1.3 percent of the Indian Health Service cuts.

We know that our populations off-reservation probably follow the same pattern as what we found in our area by conducting a yearlong study. Forty percent of our populations in 1978 were on poverty level or lower existence, and this was before the great financial crisis hit our country. So you can imagine what those figures must be now when we are facing 11 to 18 percent unemployment in some parts of California.

On the positive side, we would like to point out the fact that the off-reservation programs on the average have realized at least $1.65 for every dollar that the Federal Government has invested in their health delivery system. We think that is pretty good public health cost.

So, what we are asking, Senator, is that instead of considering putting us on the chopping block the health delivery system off-reservation be used as a model. We have a small statistically homogeneous population which can contribute a good deal to the research on public health programs. I think we can contribute a good deal in that manner.

In closing I would like to quote from the report of the original committee from the House, Mr. Yates' committee, and their opinion about off-reservation programs.

> The overwhelming majority of Indians in this country continue to be tribal members regardless of where they live and regardless of whether or not their tribe is recognized by the Federal Government.

They go on to say that:

> No court, no general act of the Congress, certainly no constitutional provision states that the Government's special responsibility to the Indian people stops at the reservation gate.

I am sure, as a friend of Indians throughout the Nation and as an expert in law, that you will agree with us, that to say that benefits accorded to the Indian people as a nation should stop at the reservation gate is no more plausible an argument that to say than if a person from Alabama moves to California then they shoud lose their right to vote in the Federal election.

We thank you very much, and we appreciate the opportunity.

STATEMENT OF GLORIA KELIIAA, EXECUTIVE DIRECTOR, CALIFORNIA URBAN INDIAN HEALTH COUNCIL, ACCOMPANIED BY JULIE FREESTONE, DEPUTY DIRECTOR, CALIFORNIA URBAN INDIAN HEALTH COUNCIL

Ms. KELIIAA. Good morning. Joining me in the presentation, Senator, is Julie Freestone who is the deputy director of the California Urban Indian Health Council. I am Gloria Keliiaa, the executive director.

The California Urban Indian Health Council is a a cosponsor of urban Indian health clinics located in various cities in the State of California. The State of California has eight urban Indian health programs, and the consortium's office is the ninth funded program within the State.

We would like to add to the presentations this morning by showing you some examples of products that have been produced by the council as a demonstration of training and technical assistance and advocacy, the advocacy portion of the money that you have provided.

Our programs, as has been stated previously, have certainly maximized other resources, and while IHS funding—the Federal funding—constitutes about 50 percent of the funding available to the urban Indian health clinics in California, our cities have been able to use the money effectively and to maximize additional resources.

On chart 1 we have shown you that, between 1980 and 1982, California's Indian visit rate increased. During that same period of time despite the closing of one of the larger urban Indian health clinics in California located in Huntington Park, medical visits remained steady.

While services were increasing and our Indian Health Service funding was decreasing, our clinics increased their total revenue through the use of sliding fee scales, other grants taking and through State funding. We want to show you what else you have been buying and what the clinics have been getting and what you have enabled us to leverage.

We produce six publications for administrators, boards of directors, and their staffs. Legal Notes are produced and written for boards of directors. We have been providing services and meeting some of the health needs of our Indian communities and our clinics have also become very business minded, have shown accountability, and are extremely interested in meeting their corporate obligations.

The Indian Alcohol Times is produced for the Indian alcohol programs. We have a publication for community health workers. The Clinicians Letter is written for providers of direct services: our doctors, our dentists, our nurses.

The council's newsletter is written to address areas and topics of general interest to the entire community population, and Management Memo is a management memo to executive directors and administrators dealing with management issues.

Our privately funded fetal alcohol syndrome prevention program has trained 1,400 health professionals and community members and produced this education kit to increase awareness of the risks of drinking during pregnancy. The kit itself is being marketed nationwide and has 13 components.

Our State funded healthy pregnancy program provides training to increase the effectiveness of community health workers' outreach activities in both urban and rural reservations—rural areas in California, reviews prenatal care protocols and raises the awareness of mainstream providers to the needs of Indian women.

Our ongoing training provides sessions in corporate management to community-elected rural and urban health boards of directors and staff and is funded partially by the State of California.

Our alcohol training and technical assistance program funded by the State assists IHS-funded Indian alcohol program in improving their operations. The program has pioneered county alcohol networking and is linking alcohol services to Indian health programs.

We have some other tangible products, and they include this policy and procedure manual that has been written for use in outreach programs.

California Indian maternal and child health plans, which was funded by the State of California and documents maternal and child health needs, has been distributed nationwide and in Canada, and has been received well by health professionals as well as clinic workers.

We produced the Model Policy and Procedure Manual for boards of directors and for clinic administrations. We have produced and provided training in budgeting and decisionmaking for community based organizations using zero based budgeting principles. We have developed a corporation governance manual for boards of directors.

Senator GOLDWATER. What does that do?

Ms. KELIIAA. Pardon me?

Senator GOLDWATER. Corporate governance?

Ms. KELIIAA. Corporate governance for boards of directors.

Senator GOLDWATER. What does it do?

Ms. KELIIAA. It assists them in holding to the principles of corporate management as explained and required under the corporate code of California. It outlines their responsibilities as board members of a corporation and explains the responsibilities.

So, the clinics' direct services continue to address those critically needed areas identified repeatedly by private and public agencies. Because you have already received much of the information, I will not repeat them. We cannot stop our efforts until the health status of Indian people in the entire country is brought to parity with that of the general population.

I thank you.

Senator GOLDWATER. Thank you. That was an excellent presentation.

In California, do you get many Indians from other States?

Ms. KELIIAA. Yes, sir, we do. We have a little over 201,000 Indians. The Los Angeles area alone has the highest concentration of Indian people in one location of anywhere in the country. As the Navajo Tribe testified to you this morning, we have many people who come to urban areas. The Navajo Tribe alone, within the Los Angeles area, has a very high percentage of that Indian population. In the Los Angeles area there are about 48,000 American Indians. The majority of the Indian people in California are in fact from other States but have chosen to make California, as have many other people who are not Indian, their home.

Senator GOLDWATER. Thank you, Ms. Keliiaa.

Your prepared statement will be entered in the record at this point.

[The statement follows:]

PREPARED STATEMENT OF THE CALIFORNIA URBAN INDIAN HEALTH COUNCIL, INC., SUBMITTED BY GLORIA KELIIAA, EXECUTIVE DIRECTOR

The California Urban Indian Health Council is submitting this testimony both to describe progress made by our clinics and also to outline continuing health needs of our population. The Council is a consortium of urban Indian health clinics in California and is charged by them with providing training, technical assistance and advocacy to improve the health status of Indian people.

We want to deliver on a promise we made to Congress two years ago. In previous years' testimony, we said we wanted a chance to be accountable. This year we want to describe what we have done with the urban health funds Congress and the Department of Health and Human Services gave to California.

Between 1980–1982, California's Indian clinic dental visit rate increased from 19,763 to 21,087.

During that same period, medical visits held steady at 40,000 despite the closing of the Huntington Park Clinic in Los Angeles County.

While services were increasing, IHS funding decreased from $1,822,165 to $1,552,900, but clinics increased their funding through sliding fees, other grantseeking and state funding.

We want to describe what else Congress has been buying, what the clinics have been getting and what federal funds have enabled us to "leverage."

The Council produces six publications for administrators, Boards of Directors, Community Health Workers and health and alcohol providers.

Management Memo to administrators has dealt with fundraising, financial and personnel management.

Legal Notes for Boards of Directors has dealt with leasing, hiring and firing, corporate code, conflict of interest, and contract responsibility.

CHW Newsletter for Community Health Workers for health promotion has dealt with heart disease, Fetal Alcohol Syndrome, prenatal care, CPR and health education.

Clinician's Letter for health providers has dealt with child abuse and neglect, developmental disabilities, appropriateness of care, otitis media, diabetes and tobacco smoking.

Indian Alcohol Times for all providers of services to Indian. Has dealt with prevention resources, block grants, FAS and alcohol use among youth.

CUIHC Newsletter deals with health issues.

A Fetal Alcohol Syndrome Awareness program (privately funded) that has trained 1,500 health professionals in rural and urban California and across the country and paid for a community education kit that includes 13 items to increase awareness of the risks of drinking during pregnancy.

Our state funded Heavily Pregnancy Program provides training to increase the effectiveness of the Community Health Workers' outreach activities in rural and urban areas, review prenatal care protocols, and raises the awareness of mainstream providers to Indian women's needs.

Our ongoing training provides sessions in corporate management to community elected rural and urban Boards of Directors and staff. It is funded partially by the state of California and cover these topics: Legal and Financial Responsibilities; Personnel and Corporate Management; Planning and Budgeting using Zero Base Budgeting Principles; and Supervisory Training.

Our Alcohol Training and Technical Assistance Program, funded by the state, assists IHS funded alcohol programs in improving operations. The program has pioneered county alcohol network and is linking alcohol services to Indian health programs.

Our other tangible products include:

A Model Outreach Manual.

A definitive statement of Indian material and child health needs that has been distributed nationwide and in Canada to private and public sector health professionals. The state of California paid for the development of the Plan and is funding services to address some of the needs identified by the plan. The March of Dimes and a private foundation paid for marketing the Plan.

A governing manual for Boards of Directors of non-profit corporations.

A guide for community organizations to do program planning and budgeting (paid for by the state).

A handbook on the role of corporate Board members.

The clinic's direct services continue to address those critically needed areas identified repeatedly by private and public agencies. The Department of Health and Human Services, in its own Report on the Health Status of Minority and Low Income Groups said the age adjusted death rate of Indian people in 1971 was 33 percent higher than the total population.

Twelve percent of Indian women in California receive either no or late prenatal care—the highest of any ethnic group in the state. The figure needs to be considered with the information that while the California Indian birth rate for all races between 1970-77 declined 4 percent, the California Indian birth rate increased 18 percent. And in urban areas, the increase was 7.5 times that of rural areas. This is not surprising, since the age group most concentrated in urban areas is the 20-24 age group. In rural areas, it is 5-7 years.

Alcoholism continues to plague our population—with the rate of alcoholism among Indians at five times that of the general population and the mortality rate from alcohol related causes at 22 times higher.

Births to California Indian women under 19 years old increased 66 percent between 1970-77 while all the races rate for the period decreased 11 percent. This is particularly important when you consider that 65 percent of this population moved at least once during the five year period 1965-70 making continuity of care a problem.

The National Plan for Indian Health submitted to Congress in 1980 estimated a dollar amount of unmet health need for 1984 of $27 million—well above the $8.9 million that was available in 1980. That dollar amount of course doesn't consider inflation nor does it include those areas not served by existing programs—areas such as Orange County, California that has an all urban Indian population of 14,000, no health programs and no county hospital. The Plan's recommended authorization level to continue current services and address unmet needs for 1984 was $100 million.

If it is necessary to reduce funding in general for provision of health services to American Indians, we urge that Indian Health Service be required to absorb the reduction through assessment and elimination of non-health delivery positions held by IHS personnel.

We cannot step our efforts until Indian health is brought to parity with that of the rest of the population. We ask you to recommend reenactment of Title V of the Indian Health Care Improvement Act and to support our current level of funding for 1984.

Senator GOLDWATER. Mr. Love, do you want to add anything to what these people have said?

Mr. LOVE. Mr. Chairman, I do not think we have anything to add. Again, we want to thank you for this time, and again we urge that this committee give its strongest consideration to the two issues, the reauthorization of the actual law and also the refunding.

I think your question of $10 million was well taken this morning. We are attempting, in a time of tight budgets and budget restraints, to be realistic about our budget and attempt to operate on again a very small amount of money. However, if we can at least receive $10 million, we feel that we can carry on the work.

Senator GOLDWATER. Well, as you know, they have a big, fat zero, and I can promise you that is not going to prevail. I would like to see us get all the money that we need. This is a major problem across the country. Over 700,000 of our Indians are there, and many of them are not as closely related to tribes as we in Arizona find our Indians are.

It creates a problem. They are looking for jobs, and they are basically without education. I can promise you that we will do all we can and hope that we can get you enough.

We have a very strange concept back here about money and where it should go. I can think of many groups in our country who receive more than adequate, who do not have the background of a lifetime association which you all have.

I will have to excuse myself now and turn the Chair over to Senator Murkowski. He will be acting chairman. I have to go to the Armed Services Committee.

I want to thank you very much for your testimony.

Senator MURKOWSKI [acting chairman]. Good morning. I am Senator Murkowski from the State of Alaska, and I welcome you to this committee. I apologize for any inconvenience that you may have encountered as a result of changing hearing rooms and so on.

With the construction of the new Hart Building, I am told that this committee will now have a permanent hearing room, and I am sure you will welcome that as much as we will.

We are going to temporarily set aside panel 3 and take panel 1 which is set for a timeframe of 10:30 to 11. I apologize for the inconvenience of those waiting to testify on panel 3.

With the permission of panel 3, and hearing no objection, I request then that panel 1 come forward. We appreciate your attendance, and it is a pleasure to see a group that has traveled as you have. We are looking forward to your testimony. I know how difficult the trip is. I have a tendency to make it about every other month, and it has never taken me less than 11½ hours.

I am looking forward, as are the other members of the select committee, to your testimony. I intend, of course, to share with my colleague, Senator Stevens, and Don Young as well, the statements and comments that you are going to make today.

I would ask that, for the record, you identify yourselves individually.

Mr. HOPE. Mr. Chairman, I am John Hope. I am president of the Central Council, Techanaw Indians of Alaska, and chairman of the Alaska Federation of Natives Human Resources Board.

Senator MURKOWSKI. John, it is nice to have you with us.

Ms. MANKILLER. Mr. Chairman, my name is Wilma Mankiller. I am the director of Community and Travel Development for the Cherokee Nation of Oklahoma.

Ms. HARJO. I am Suzanne Harjo, and I am legislative liaison for the Native American Rights Fund here in Washington, D.C.

Mr. TETPON. I am John Tetpon. I am chairman of the board of directors of Norton Sound Health Corp., Nome, Alaska.

Ms. MICHELS. I am Carolyn Michels. I am acting executive director, Norton Sound Health Corp., Nome.

Ms. MARKS. I am Patricia Marks, the vice president of Karl Funke and Associates, a consulting firm here in D.C. that represents four tribes and three Indian organizations.

Senator MURKOWSKI. Thank you. We very much appreciate those introductions, and we will proceed with the prepared testimony which you have. I might add that anything you would care to have entered into the record in its entirety, if you will please so state, we will put it in the record at that time.

John, are you going to start off?

STATEMENT OF JOHN HOPE, PRESIDENT, CENTRAL COUNCIL, TECHANAW INDIANS OF ALASKA AND CHAIRMAN, ALASKA FEDERATION OF NATIVES HUMAN RESOURCES BOARD

Mr. HOPE. Mr. Chairman, I did not realize I was part of a panel, and I am willing to start off.

Senator MURKOWSKI. Fair enough, John. Go ahead.

Mr. HOPE. Mr. Chairman, I just have a few comments to make on the various budgets. I do not have a prepared statement at this time, but I will present one to the committee at a later time.

Mr. Chairman, I am very pleased to see you serving on this committee that affects our people in Alaska and to know we have a relationship and understanding with one another. I am very comforted by your presence.

Senator MURKOWSKI. Thank you.

Mr. HOPE. Mr. Chairman, I just want to comment on the education aspect of the budget for the Bureau and title IV. We have been told, and we have heard testimony from the Bureau saying that education is not a trust responsibility of the Federal Government. Indeed, in the latest testimony it is not even a Federal responsibility, let alone a trust.

Mr. Chairman, we feel this is sort of unusual when for at least 150 years Congress has been appropriating money for education for the American Indian, and we feel that they did not do it without some sense of responsibility. We may have misused the word trust, but we think it is very close to that word. We feel that education is the forefront of the American Indian needs.

To sort of zero in on the Mount Edgecumbe Boarding School we know that the administration was successful in having Congress delete it from the budget beginning the next fiscal year.

I would like for some reconsideration of that decision. I think, Senator, you realize that you can pick any Native leader in the State of Alaska, and he either graduated from Mount Edgecumbe High School or Sheldon Jackson High School. Those are both boarding schools, and they have contributed to the leadership of the Alaska community for a number of years.

I can think of only two individuals in the Native community who were parochial or public school products, Willy Hensley being one of them, Sam Kilo being the other, Sam being from Petersburg High School.

Mount Edgecumbe Boarding School has contributed very well to not only the Native community but to the State of Alaska. We think that when you close these kinds of opportunities, sometimes it is the only opportunity available for our people, then you better think about appropriating more money for welfare and those types of things because people who are not prepared to cope educationally and compete educationally have no other choice.

There are two other disturbing areas, at least from my perspective: title IV and the Indian Child Welfare Act and HUD's decision. We think that the agencies that administer Government programs do not have the authority to take the prerogative of Congress.

When Congress created the Indian Child Welfare Act, they described who an Indian was and who the beneficiaries were to be. You even described the Indian tribes. We think that BIA or any other agency cannot limit the funding when Congress itself has set the perimeters. We do not think that that is statutorily legal, and I think HUD is also guilty of that crime when they have announced—I'm not sure how public it is—that Alaska and Oklahoma will be written out of the 1984 budget.

We think that when Congress describes a limit of the beneficiaries, nobody has the authority to change those things that Congress took a long hard look at and came up with definitions for the beneficiaries. When an agency takes that prerogative we think it is illegal and probably subject to legal challenge.

Yesterday, I listened to testimony in which the Secretary mentioned the reasons for closure of certain schools. In Alaska there are 20 day schools and, of course, the Mount Edgecumbe School, a boarding school. I was somewhat appalled to hear one of the reasons being declining enrollment. They themselves caused that decline, when they announced, at least at Mount Edgecumbe, that they would not accept freshmen this year because of the impending closure.

When parents get a little edgy of sending their children to a school that may not be in existence very long, they contribute to that decline, and it is almost dirty pool to use that as a reason for closing. They did kind of emphasize the declining enrollment. They even used statistics to support their contention of declining enrollment.

I really feel very strongly that the closure of the educational facilities impacts us for years and years. We have been for years trying to improve the quality of education, and all of a sudden, unilaterally, the decision was made.

As you know, they cite an arrangement—I think they call it the 1964 agreement with the State of Alaska—whereby the State of Alaska would assume the responsibility for day school operations, but they fail to mention that it was a tripartite arrangement, that it was not an arrangement only with the State and with the BIA. It also involved the Native villages. They had to request the changing from the Federal BIA to the States before the action was initiated.

Mr. Chairman, I am pleased to make these brief statements. The Sitka Community Association also gave me their feelings on the Sitka Community Association as a Federal tribe, an IRA tribe, and I will leave their comments with the committee.

Thank you very much, Mr. Chairman.

Senator MURKOWSKI. Thank you very much.

As you are aware, I, too, feel very strongly about the contribution that Mount Edgecumbe made to the education of Alaska's Native youth for a long, long time. It was through the intervention of myself and the other members of the delegation that we were able to persuade the Department of the Interior to operate Mount Edgecumbe this current year.

It was a decision made last year that they would not accept a freshman class this current year. So at the present time, Mount Edgecumbe is operating with sophomore, junior and senior classes only.

I have had an opportunity to request of Mr. Smith, head of the BIA, a question with regard to availability of funds concerning the continued operation of Mount Edgecumbe.

The question specifically was, that if the 20 existing day schools that are proposed for transfer to the State of Alaska in 2 years, if those operational funds could be made available through a transfer authorization, would he support continuation of Mount Edgecumbe for at least another year?

His answer was, "No." He would not support transfer of those funds, which leads me to perhaps go into a little review of the policies that have been made. At the present time, I believe, there are eight BIA boarding schools that will operate next year in various locations throughout the United States.

Alaskan students will have the availability of those schools on, I assume, a space-available basis of some kind.

I still feel very strongly that Mount Edgecumbe should be continued. I also am aware, as you are, of the significant expansion program of schools the State of Alaska instituted some years ago as a result of the *Molly Hooch* decision where they provided schools in virtually all of the villages that are under consideration here.

So, as a consequence, we find ourselves in some cases with many villages having two schools, a BIA school and a State school. It has been the contention of the Department of Interior that the responsibility for education in the State of Alaska should be an obligation of the State rather than the BIA.

The State has indicated its willingness under a certain timeframe to accept that responsibility. My question to you is, what is your opinion in the event that we could expedite the State's takeover of the existing 20 day schools and use that money to extend the operation of Mount Edgecumbe?

Mr. LOVE. Mr. Chairman, I realize the constraints of the budget, and I realize that if you win one here you lose one somewhere else because the pot is only so large.

I think the State, Senator, is not as wealthy as we thought we were going to be when the OPEC cartel fell apart, and all of the money that we were budgeting apparently will not materialize because the wealth of Alaska is with the oil. Even before the latest price reductions in oil, Alaska was saying it would have to take a second look at almost everything.

I do not feel, Mr. Chairman, that I am in a position to trade off anything. I realize it is something that has to be done, but I do not have authority to trade off anybody's——

Senator MURKOWSKI. Well, I assure you that I do not either. I was simply asking for an opinion as to whether or not I, or the other members of the delegation, should go down and try and persuade the Department of Interior and the State of Alaska. That is an area where we, as a delegation, have no authority either. The State is going to make up its mind on what they want to do independently.

However, when I addressed the State legislature a few weeks ago, a portion of my address was that I felt very badly that Mount Edgecumbe was about to close, and I hoped the State would address the problem because in reality we are losing a very, very valuable tool that has done a fine job in providing an alternative educational opportunity for some Native children, particularly from the very, very small villages. I think that is going to be a long-range loss to Alaska.

Now, I am going to make another observation that you might not agree with, but I think it is a fair one. I had hoped that more of the Native Alaskan leaders would stand up on the Mount Edgecumbe issue. I am disappointed that they have not.

I recognize the problem, and I think I realize the reasons why. Many of them, as you pointed out, have graduated from there, but unfortunately, because of a policy decision made in the Department of the Interior that I think reflected on the administration, the matter of education in Alaska, as far as Alaskan Native children are concerned, is going to be a responsibility of the State.

I can continue to urge that the BIA slow down the transfer. Basically we have gotten 2 more years. I doubt if we are going to get any more on those day schools, those 20 day schools.

Originally, they were all going to go this year, but we have the funds in there for the operation of those schools and we have the funds in there for the upgrading of those schools to State standards.

I hate to say that it is an either or, but to suggest to you that there is even a remote likelihood of generating a special appropriation or a supplmental for Mount Edgecumbe alone and have the day schools operate for the next 2 years, I would say would be impossible. It would not be done. It would not be supported by the Department of the Interior. It would not be supported by the Office of Management and Budget. It just would not go anywhere.

The only other alternative I can see for Mount Edgecumbe—and this would be extremely remote and very difficult, too—would be some kind of an acceleration of the State's wanting—and that would have to be a policy matter by the State—to take over the operation of those day schools on an accelerated basis.

We would try then and persuade the Bureau of Indian Affairs to move that money over for the continued operation of Mount Edecumbe. In reality I think the State of Alaska is going to have to face up to the contribution that Mount Edgecumbe has made and the void that is going to be left if it is not filled somehow.

Mr. LOVE. Mr. Chairman, you were asking for my personal opinion. I think I would do what is necessary to keep Mount Edgecumbe operating.

Senator MURKOWSKI. You would do what is necessary. That is your personal opinion.

Mr. LOVE. Yes.

Senator MURKOWSKI. I appreciate that, and I thank you. Please go ahead with any other remarks.

Mr. LOVE. I have one other comment. I think it is a very sad day when the Secretary—I am very disappointed in the Secretary's response to your question. In a very early Supreme Court decision, Justice John Marshall said, in the case of Indian tribes and the State and Federal Governments, because he could not think of a better analogy, the relationship is like a ward to his guardian. You would feel that a guardian would not answer in the negative in the kind of questions you posed.

Senator MURKOWSKI. I share that concern. I have been here for only a couple of years, and I have been asking what the trust responsibility is to Alaska's Native community. I cannot get from the Department of the Interior and I cannot get from Alaska's Native Community, just what it means as a consequence of the settlement of the Alaskan Native land claims.

It was reflected yesterday in the discussions we had on the HUD budget. They said, as you pointed out, that both Oklahoma and Alaska would be eliminated but would be partially funded under the block grant concept. However, when we try and go back and relate to the justification for closing Alaska out of the HUD program where we have had, I think 250 homes built last year, very frankly you get an unsatisfactory answer.

They say they are going to relate only to those trust lands. Is that the terminology that they use? Then when you ask them for an explanation of the trust lands that applies to Alaska it becomes very foggy. As we all know, the reservation of Annette Island is distinct. It is far and apart from the status of the rest of Alaska's Native land.

So we have a lot of cleaning up to do on that language, and nobody has defined what the trust responsibility is.

Mr. LOVE. Mr. Chairman, the way I kind of explain that to myself, about the need, is every State in the Nation has all the land that we have, and they have taxing powers. They have all the land that we used to have, and they have all the taxing powers, and they still cannot meet the needs. We do not have either.

Senator MURKOWSKI. Well, let us keep hanging in there.

I am going to be skipping around here because I am told that I can do it. I am going to ask John Tetpon to address the committee next. John, it is a pleasure to welcome you here today. I am interested in your testimony, particularly in view of the recent publicity by the media on the Norton Sound lease sale and the impact that is anticipated to have in your area.

As you and I both know, there has been a good deal of communication back and forth between our new Governor and our Secretary of the Interior as to the merits of that sale. So I will be very interested in hearing your testimony.

STATEMENT OF JOHN TETPON, CHAIRMAN, BOARD OF DIRECTORS, NORTON SOUND HEALTH CORP.

Mr. TETPON. Thank you, Mr. Chairman. I am going to speak specifically to the Norton Sound Health Corp. and Regional Hospital. I am the chairman of the board, and I would like to take this opportunity to apprise you of some of the issues that we are facing regarding Indian Health Service funding, et cetera.

As some background, Norton Sound Health Corp. is a consumer controlled, nonprofit Alaskan Native organization. We are located in Nome, Alaska. We service 15 other villages in addition to the city of Nome. We are one of the few tribal organizations in the Nation that contracts both hospital and community health services.

While the bulk of our operating expenses are funded through a contract with Indian Health Service, our demand for Federal dollars is less than other programs because of our ability to charge first and third party payers for services that we provide.

For the past several years, the Norton Sound Health Corp. has been required to respond to Federal funding decreases by reducing the administrative and noncritical care areas. The results have been that we are now an efficient but bare-bones organization which is aware of every dollar that is spent.

While we retain a modest number of health promotion and community health services, our primary goal or priority is primary care, more pronounced now because of funding decreases.

There are five issues that we request be addressed by the U.S. Congress. The first of these is our 638 contract which is divided into two categories: No. 1, insufficient funding and nonavailability of final budget information.

Although some cutbacks are in order for all Government programs, we feel that priorities have been misplaced. We believe that there should be a mandate on Indian Health Service to cut administrative costs in Indian Health Service in order to retain the maximum delivery of primary care. We have already implemented that policy at Norton Sound Health Corp.

Any further across-the-board cuts will require us to select among direct service programs to be phased out. We believe that if IHS were to reprioritize cuts to reduce administration and disfunctional programs, this would free up dollars to continue to provide essential primary care services.

The second element of the 638 contract issue is the frustration we experience in operating with severely limited funds without knowing our final contract bottom line amount. We are now 5 months into the fiscal year and cannot yet determine the extent of services which we will be able to provide.

We remind you that our primary goal is to save lives and to maintain the health status of the people we serve. We urge you to take every possible step to insure that we get timely notice of our funding level and that such funding level be adequate to reach our goal.

The second issue is community health representatives known as CHR's. Nationally, CHR's are utilized as outreach workers. They identify potential patients and provide liaison with medical professionals.

Like other areas, we recruit for our CHR supported positions from among the target populations to be served, thus providing stability in a field of high medical staff turnover.

Because of the funding cuts we have sustained and in line with our policy of primary care as our first priority, we have expanded the scope of CHR duties to include many primary care functions. Because of our involved method of CHR utilization, we request a transfer from the funding category under the mandatory CHR definition to a more stable funding category such as contract health care or hospitals and clinics.

These categories more realistically reflect the nature of the positions involved and the scope of services provided.

Our next area of concern is OCS development impact. To date, no realistic locally relevant evaluation of potential impact has been initiated to assess human service delivery needs for the future.

While we have conducted informal assessments and made projections based on impact data from other regions, accurate data collections for our area and long-range planning is of fundamental importance at this time.

Further, we believe that a decision must be made quickly to delegate financial responsibility for the costs of the impact and that once that delegation is made immediate funding must be provided to begin the necessary planning.

We recommend that either the Federal Government or the oil companies who bid on the lease sales of Norton Sound provide at this time a per capita funding base increase to enable us to begin that rudimentary planning.

Thereafter, successful industry bidders must be mandated to sustain support of the health and social services programs, and we suggest that this be a percentage of gross revenues to eliminate loose interpretation of the extent of social impact, thereby guaranteeing that our current financially threatened primary care services will not be further diluted.

The fourth issue is village sanitation problems.

Although we are almost in the 21st century, most of our village residents haul ice for drinking water and use small pots known as honey buckets for human waste disposal. The health and safety of these villages is endangered daily by inadequate sanitation and water facilities. Past community work projects were poorly designed and constructed. Many of these are nonfunctional or impossible to operate and maintain.

We request that Congress recognize the sanitation needs of our rural communities in Alaska and provide the needed funding to establish viable water and waste facilities so that the living conditions of the Alaskan Natives are raised to parity with the rest of the Nation's citizens.

Moveover, we recommend that Congress take whatever measures are necessary to mandate that local communities who must live and work with the results of a constructed facility be granted the right to provide input to and give final approval of all phases of the project prior to actual construction.

The fifth issue is health aide allocations. We currently employ and train 20 primary health aides. To our knowledge, there has never been a review of the original 1968 health aide allocation of one health aide per 300 population which has no provision for population or need changes.

As an example, one of our coastal villages has been experiencing rapidly or relatively rapid population growth. This has resulted in the need for an additional health aide position which we are unable to provide because of the allocation system.

Therefore, we propose that Congress direct that a review be conducted to see if the system needs to be updated. At the very least it appears that shifts should be made to reallocate in reduced population areas to accommodate areas that have experienced an increase.

We also suggest that such a review determine if overall population increases have presented a need for additional health aide allocations.

The final issue that we would like to speak to you about today involves the Equity Health Care Fund. The Norton Sound Health Corp. was promised $686,000 in fiscal year 1982 as a result of the Indian Health Service equity funding system by the former IHS director, Dr. Emory Johnson.

The Indian Health Service then changed the ranking system so that Norton Sound was moved from level four to level three and did not receive any equity dollars.

We are now in the process of studying the equity system. Our preliminary findings suggest that certain improvements need to be made to insure fairness. These improvements are described in a letter to Dr. Rhoades, dated February 22, 1983, from our attorneys, Hobbs, Straus, Dean, and Wilder, which we are filing for inclusion in the record. We have urged that the Indian Health Service take these steps immediately.

Senator MURKOWSKI. Thank you very much.

First the good news. It seems to be the general concensus of the committee and those members on the Budget Committee that the present CHR community health services will be maintained at or near their present level.

I believe for Alaska that runs about $1.7 to $1.8 million, and about $27 million, for the balance of the United States.

It is my understanding that on some of the 638 contracts the IHS withholds a good deal of that money or a significant portion of that money until late in their fiscal year and then basically makes it available or dumps it back to the contractors.

They do that so they do not have anything to turn back, but it makes an unrealistic situation for you to try and plan because you are not aware during your year that that is going to come in. It makes it very awkward.

You cited among your five problems that you were having a problem, and I wonder if specifically that is one we could address and try and resolve.

Mr. TETPON. That is what we are facing right now. We are 5 months into our contract year and have yet to know exactly what our funding level will be.

Senator MURKOWSKI. We have addressed a letter to the appropriate official, Dr. Rhoades, and others asking them if they can not rectify that because obviously the CHR is not doing a very good job if they are not budgeting for a 12-month period.

They are basically making available to the various Indian Health Service agencies, because to withhold that and give it to you in the last quarter is a poor way to run a railroad, I think.

Tell me a little bit about your anticipated impact associated with these OCS sales in Norton Sound. Have you followed or are you familiar with the OCS legislation that was introduced last year relating to the impact on the communities and what relief they could expect in the form of contributions coming from a portion of the lease sale to the State, and the State would direct it down to the community to offset some of the impact?

Mr. TETPON. No. We have not been made aware of that.

Senator MURKOWSKI. I will make sure that we send you, or you may pick up at our office at your convenience, the drafts of the new legislation or at least copies of the legislation that was introduced in the last Congress. It was an effort, a genuine effort, to try and be responsive to the concerns which you have indicated. Of course, it goes beyond just the educational or the health service aspects. It goes into other related areas of economic training, jobs in the community, water and sewer availability and sufficiency, and many other areas.

I think there has been considerable progress made in trying to be responsive to the impact that might occur. I emphasize might, because we can only look back to the actual sales that occurred in the Gulf of Alaska. You will recall the impact that we anticipated would occur in Yakutat and Seward, but those did not occur, because they did not find any commercial quantities of oil.

Let me ask you another question, if I may, and it is a question that I asked John Hope. I think it is relative inasmuch as you represent substantially different geographical areas of Alaska. Do you have any opinion on the continued operation of Mount Edgecumbe, and do you have any opinion on whether or not, as a personal opinion, you would or would be inclined to support the accelerated transfer of the day schools to the State and attempt to try and laterally transfer that money over for continued operation of Mount Edgecumbe?

Mr. TETPON. I am not going to speak for the board of directors of Norton Sound, but I will speak for myself. I think that Mount Edgecumbe school should continue to stay open. I think it is an institution that has been long recognized as an educational institution that Alaskan Natives are proud of. There are many of our leaders who have graduated from Mount Edgecumbe. It would be like taking away a legend, if you will.

However, as far as I am concerned, Mount Edgecumbe should continue to stay open if the State of Alaska can afford to take it over. I want to make one point here also. The State of Alaska is looked upon wrongly, I think, as being filthy rich. As I spoke about earlier today, our villages still use honey buckets, have no water and sewer systems, et cetera.

I personally feel that Mount Edgecumbe should remain open.

Senator MURKOWSKI. If it were an either or case, would you have a personal opinion? When I say either or, I am saying either accelerate the transfer of the 20 remaining day schools over to the State and use that money to run Mount Edgecumbe for another year, or if that could not be available, close Mount Edgecumbe and keep the day schools open for 2 years until the State takes them over.

Mr. TETPON. If I understand the question correctly, if we were to decide between keeping the day schools open for 2 years and closing Mount Edgecumbe, I think that if at all possible Mount Edgecumbe should remain open. I cannot think of a good answer to that question. It is a difficult one to answer.

Senator MURKOWSKI. Thank you. I might say for your edification and for the record—because I think it will be significant, hopefully, once the OCS legislation passes—there is a mandatory 40 percent of the total block grant that must be returned to the local government that is impacted in this legislation, which I think would be substantial in offsetting the impact associated with any OCS development.

Carolyn Michels, do you have a presentation before the committee?

Ms. MICHELS. No, sir. I was just here to answer questions.

Senator MURKOWSKI. I have no further questions.

I have two letters addressed to Senator Stevens, which I will enter in the record at this point.

[The letters follow:]

NORTON SOUND
HEALTH CORPORATION

P.O. BOX [illegible]
NOME, ALASKA 99762
(907) 443-5411

February 8, 1983

The Honorable Ted Stevens
United States Senate
260 Russell Building
Washington, D.C. 20510

Dear Senator Stevens:

I find this to be an unexpected pleasure to be able to, once again, reacquaint myself with you and your staff. As you may recall, I was fortunate to have had the experience as a Senate Intern in your office in 1975, along with Ms. Johnalee Fuller from Nome. I am happy to report that my fondly remembered experiences in Washington, D.C., have been most helpful as I have moved along in my career.

I have recently been appointed Acting Executive Director for the Norton Sound Health Corporation, after having served in the capacity of Community Health Services Director at NSHC for approximately on and one-half years. Mr. Clinton Gray, former Executive Director, has resigned in order to seek employment elsewhere in the community.

As a resident of the Nome area, I have observed and been proud of the many advances that our native-run Health Corporation has made in the provision of health care services for the people of the Region. However, after having been with the Corporation for the past year and one-half, I have been disturbed at the backward slides we seem to be making; especially unfortunate at a period when Indian Self-Determination is now just starting to be realized, not only in the health field, but also in the regional entities that provide long overdue development for natives of our Region. These backward slides that I am referring to are directly related to the funding cutbacks we are experiencing in the health field, both on the federal and state levels. In direct reference to Norton Sound Health Corporation, these funding cutbacks make it doubly difficult for the Corporation to maintain its role as a leader and model in the area of Indian Self-Determination 638 contracting for Native Health Services.

To refresh your memory, as I know you deal with an understated hundreds of issues per day, Norton Sound Health Corporation is one of the very few native-run corporations om the Nation that contracts both hospital as well as community health services from Indian Health Services. We are governed by a Board of Directors that have representation from every IRA Council in the Region, as well as the City of Nome. Norton Sound, under the careful guidance of this Board of Directors, has been recognized as a leader in the development in our Health Aide Village Paraprofessionals as well as a model for our entire regional health system. Our model has been used as an example for, not only the other regions within the State of Alaska, but also the object of study by Egyptian Health Officials.

As an Indian Health Service 638 Contractor our Board has had the latitude to be able to prioritize services within the region based on needs reflected from the people within our regional service area. What we are experiencing at this stage of the game, however, is that as budgets decrease, our flexibility in the area of determining service priorities to the Region is rapidly diminishing. For example, in our contracts with the Indian Health Services, we are restricted to funding categories in which IHS interprets for us what service functions we must fund for the money allotted within that category. This approach has worked when enough money was available to adequately fund the programs which we feel are essential to this Region. The complication comes in though, when we are forced into a position of having to choose between programs when funding is not available to maintain a minimum level of service in all programs.

The fact that our Board takes it's job seriously in establishing Norton Sound Health Corporation as an efficiently operated health entity has worked against us when unilateral percentage cuts have been made throughout the Indian Health Service Systems. A unilateral 5% cut places a harder strain on an efficiently run organization as opposed to an organization with some "fat" in operations where a 5% cut does not affect direct services. The point I am trying to make is that there is no provision within the bureaucracy of Indian Health Services to determine whether one area can sufficiently handle a percentage cut without it affecting direct services versus another area that can't. The key phrase in this case, is how funding cuts affect direct services.

As you may know, the former Director of Norton Sound Health Corporation has worked with the Regional Health Directors of all Alaska in making recommendations to the Area Office as to where cuts could be made in the bureaucracy of Indian Health Services which would relieve the strain on the direct services provided by the Regional Entities. These recommendations have been brushed off by the Area Office for whatever reason, the results being that the regions have had to suffer tremendous cuts in direct service areas. I am attaching copies of the correspondence relating to this, for your information. It would seem that the initative should be placed on Indian Health Service, by the legislature, to examine areas in their bureaucracy which can be cut without harming the core of the whole system which is the direct services provided by the Regions to the native beneficiaries. This may seem to be a horrendous task that may be viewed as "fighting city hall" or in this case fighting a federal bureaucracy, however, I feel that this would not be a totally impossible task with the right impetus. Reducing direct services for the sake of saving administrative functions in the long run can destroy the IHS system; without direct service programs, how can one justify the Administrative costs? The ultimate goal would be to provide for the maximum effiency within the the Indian Health Service Bureaucracy as well as to the Contractors who are doing the field work. I will always believe that the people who are best able to determine this are the people affected by cuts in service --- the native tribal groups.

So as not to inundate you with pages of issues that I feel can be addressed, at this time, let me refer you to the enclosed packet which we have developed in preparation for our trip to Washington, D.C. this month. I, along with members of our Board of Directors, look forward to meeting with you to discuss these areas of mutual concern. Let me just stress how much we appreciate the time and attention you continue to spend towards working on behalf of the Health Corporations in the State of Alaska.

Sincerely,

NORTON SOUND HEALTH CORPORATION

Carolyn Michels
Carolyn Michels
Acting Executive Director

CM:rb

Enclosures

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Agency

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JAN 19 1983

12 January 1983

Senator Ted Stevens
United States Senate
127 Russell Office Building
Washington, D.C. 20510

Honorable Senator Stevens;

During our November meeting in Washington, two specific issues were raised that needed to be addressed further.

The first issue concerned questions that I, as an IHS 638 contractor, felt needed be asked to IHS officials at Headquarter's level, since we have never rereived satisfactory responses on an Area level.

Some of the basic questions I have are:

1. How does IHS develop a CHA budget each year if they have never identified a specific entry level for CHAs based on skills and educational background. Without knowing a basic entry level and standard pay rate (i.e. GS 4 or 5, etc), how can they A.) compute a yearly budget and B.) evaluate contract proposals?

2. I.H.S. routinely releases millions of dollars approximately 2 to 4 weeks prior to the end of the fiscal year. They than modify this money into their 638 contracts so that it will not be turned back. The 638 contractors, who have been operating most of the year on a barely subsistence level, suddenly end up with large carryover amounts that create the impression that they have more money than they know what to do with. This leads to 3 questions:

    a. Where does this money come from?

    b. Why is it not made available at a time when contractors can utilize it in a planned manner for needed services.

    c. Considering the desperate need contractors have for these dollars so that they can provide cost effective, preplanned programs, what kind of budget procuss does I.H.S. follow that leads to this large amount of unspent year end dollars.

3. I.H.S. maintains a Research and Development program in Tucson, Arizona. What is its budget? What services does it provide? If 638 contractors, who provide direct services, are having their service programs threatened, can I.H.S. afford the luxury of this type of program? Does the cost justify the output? What is the output?

4. Why are Pay Act funds usually distributed only to federal employees thus penalizing 638 contract employers. Why, when Pay Act monies are allowed to be distributed to contractors, do these funds come down as non-recurring thus allowing no program planning to be done with them?

The second issue raised concered the possibility of using RIF to plan a reasoned cutback of Area office administrative staff and using the freed up funds in direct services at either I.H.S. field hospitals or in service programs operated by the tribes. This issue has been addressed by the Association of Regional Health Directors as far back as December, 1981.

We now operate in a situation in which there are as many people administering our contract [illegible] of area office as there are people working in the contract to provide service.

Attached you will find a list drawn up at our 12/81 meeting that we feel is still relevent as a working tool.

The biggest issue here is the amount of I.H.S. personnel impacting a 638 contractor. Mature programs especially, should not have to answer to five or six separate groups, [illegible] only to a contract officer.

[illegible] should be stressed that the RHD's approach this issue of cutbacks in area administrative staffs with 2 specific qualifiers in mind.

1. The freed up dollars stay in the state and are used to enhance direct services.

2. A presence is maintained in the state that would allow for timely and efficient contracting. This could be achieved with a vastly reduced administrative structure, especially in view of the latest area circular that would allow the hospital Service Unit Director to perform most of the tasks.

Thank you for your time, attention and assistance. I hope we hear some positive results.

Sincerely yours,

Elise Sereni Patkotak

Elise Sereni Patkotak
Director, North Slope Borough
Health & Social Services Agency

cc: all RHD's
:files
T:ANHB

ESP:hl:js

SPECIFIC RECOMMENDATIONS WERE:

1. Area construction and Maintenance Branch - Eliminate entire branch, decentralize responsibility for functions to Service Units - provide Service Units with funds to contract for professional assistance.

   Retain biomedical engineering capabilities, relocate to Service Unit perhaps ANMC.

2. Area Financial Management Branch - Delegate primary budgetary responsibility to Service Units and study AFMB for additional areas of reduction.

3. Area Personnel - eliminate completely - delegate responsibility to Service Units with upgraded positions.

4. Area Contract Health Service Branch - decentralize to Service Units.

5. Area General Service Branch - Review cost benefit of centralized purchasing with goal to decentralize and limit scope as much as possible.

6. Area Program Standards & Evaluation Branch - Eliminate Area Health Education, Dental, Nutrition, Social Work, Pharmacy, Dietetic, Health Records, and Nursing positions. Delegate responsibility for maintaining standards to SUD's and Clinical Directors.

7. Program Formulation Branch - Maintain data collection section - eliminate remainder of branch.

8. SEACO - Eliminate and purchase of expediting services on service contract.

9. EEO - Eliminate position.

10. Eliminate Area Mental Health and transfer funds to Service Units.

11. ENVIRONMENTAL HEALTH BRANCH:

    A) Eliminate 3 of 4 Area Sanitarians - maintaining institutional standards specialists.
    B) Decentralizing engineering expertise to Service Units or Region.
    C) Maintain field sanitarians at expense of Area design engineers.

(Supportive attachments are retained in Committee files.)

ATTACHMENT

Senator **Murkowski**. I am going to have to apologize to the other participants. They will be heard. Tim Woodcock will be chairing the committee. This is part of the musical chairs that is played around here. I apologize that I have to leave now, but this is the schedule we work on.

If it looks like I have shown favoritism to my Alaskan constituents, I will say that I guess I have.

Mr. **Woodcock** [acting chairman]. Let me depart from the order we are in right now and ask the panelists to step aside for a moment.

We will call up Purnell Swett and Joseph Webb. Good morning, gentlemen. It is an unusual but not unheard procedure for a staff member to chair a hearing briefly while we await the arrival of another Senator. Senator Melcher should be here shortly.

In the meantime, let me offer you this consoling thought. The purpose of this hearing is, first, to create a record on the Federal Indian budget proposals. The second purpose is to take that information and prepare our budget report to the Budget Committee. That is due by March 1.

Therefore, I can assure you that your statements will be included in the record, that they will be reviewed by the committee staff in the preparation of our budget report and ultimately reviewed by the Senators when they review that budget report.

So, with that word, let me invite you to proceed.

STATEMENT OF PURNELL SWETT, SUPERINTENDENT, ROBESON COUNTY BOARD OF EDUCATION, ROBESON COUNTY, N.C.

Mr. **Swett**. Thank you, Mr. Woodcock. I am Purnell Swett, superintendent, Robeson County school system located in North Carolina.

I would like to yield the first portion of this hearing to Mr. Joseph Webb who is special assistant to the State's superintendent.

Mr. Webb.

STATEMENT OF JOSEPH B. WEBB, SPECIAL ASSISTANT, NORTH CAROLINA DEPARTMENT OF PUBLIC INSTRUCTION

Mr. **Webb**. Thank you, Purnell. It is a pleasure and an honor for me to be here today to speak in support of title IV of the Indian Education Act.

There are 65,000 Indians in North Carolina, the largest Indian population in any State east of the Mississippi River. There are eight Indian tribes, one recognized by the Federal Government being the Cherokee, and seven recognized by the State which are nonreservation Indians.

Of our Indian population, there are 16,789 attending the public schools in North Carolina, and there are 1,700 Cherokee Indian students attending the BIA school.

Most of our nonreservation Indians have been served by title IV(a) since 1973. There are 25 local education agency projects, amounting to about $2 million per year.

These funds are expended on services that are to meet the special needs of Indian children in the public schools. They go for such things as counseling, remedial instruction, cultural enrichment, tutorial programs, home school coordination, youth activities, creative arts, and medical and dental services.

In North Carolina the dropout rate and high absentee rates have been problems among our Indian students. However, we feel strides are being made through the use of title IV(a) funds and more parental involvement getting those parents in the schools, therefore children seeing their parents there. Through the youth clubs, through youth opportunities activities, we are trying to foster a feeling of belonging among the Indian students.

Another problem that our Indian students have faced have been one of underachievement. We have made dramatic gains in the Indian population. Since 1978, on our competency testing program for high school graduation, we have increased Indian student passage of the reading test from 79 percent in 1978 to 87.5 percent in 1982.

In math those passing rates have jumped from 72 percent to 83.1 percent. We are excited about these programs, but we are concerned that funds may not be available to continue the successful programs in the future.

Looking at the President's budget in which he proposes a $13 million recision in 1983 funds from a level that was already $6.5 million below 1982, and looking at his total recommended elimination of the program in 1984, we will lose 100 positions in the schools working directly with over 16,000 public school Indian students.

While the administration has recommended that we use Johnson-O'Malley funds, impact aid, chapter I of ECIA and vocational education, I would like to point out that the public schools in North Carolina have never received Johnson-O'Malley funds; that impact aid is being cut by two-thirds; that we will lose $7 million in chapter I funds in the upcoming year, and additional $10 million the following year; that vocational education, according to the President's budget, would be cut by 42 percent. How then do we pick up Indian education programs with other funds that are not there?

We are facing some of the same kinds of problems in State and local budget cuts. Our local school systems have been asked to decrease their expenditures this year by 2 percent. The outlook for next year from State funds is not much better.

County commissioners are instructing school boards to hold the line on all spending for education programs. With this kind of information we feel that our only hope to continue the successful Indian education programs is through title IV of the Indian Education Act.

We urge the Congress to reject the President's requested recision in 1983 funds and that adequate funds be appropriated for 1984 to continue the successful programs that are in operation.

Mr. WOODCOCK. Thank you. Without objection a copy of your prepared statement will be inserted in the record at this point.

[The prepared statement follows:]

PREPARED STATEMENT OF JOSEPH B. WEBB, NORTH CAROLINA DEPARTMENT OF PUBLIC INSTRUCTION

Mr. Chairman and members of the Subcommittee, I am Joseph B. Webb, Special Assistant for Federal Programs, North Carolina Department of Public Instruction. It is a pleasure and an honor for me to appear before you today in support of Title IV of the Indian Education Act.

According to the 1980 census, there are 65,000 Indians living in North Carolina; this is the largest Indian population in any state east of the Mississippi River. The North Carolina Indians are members of eight tribes: Catawba, Cherokee, Coharie, Haliwa Saponi, Lumbee, Merrihan, Person County, and Waccamaw Siouan. Only the Cherokee are federally recognized; the other seven tribes, which are state recognized, non-reservation Indians, are unable to apply for services or funds through the Bureau of Indian Affairs. There are 16,789 American Indian students attending 113 public schools in North Carolina while 1,700 Cherokee students attend the BIA Federal School.

Since 1973 most of our North Carolina Indian students have been served through Title IV-A of the Indian Education Act. Projects are operated by 25 local education agencies through federal grants totaling almost $2 million. Proposals are developed by the school districts and Indian parents. Funds are paid directly to local education agencies from the U.S. Department of Education. Title IV-A provides the only money that public schools receive specifically for services to Indian students. State funds are available in the same per pupil amounts for Indian students as they are for non-Indian children.

North Carolina's Indian children have special needs that are currently being met only through the use of Title IV-A allocations. Cultural differences and barriers dictate that unique services be provided for these students. Various activities are carried out depending upon the needs of the students. The programs including counseling, remedial instruction, cultural enrichment, tutoring, home-school coordination, youth activities, creative arts, career exploration, student transportation, medical and dental services. Indian Education funds are used for supportive services only when other resources are unavailable.

High absentee and dropout rates as well as under-achievement have historically been problems among Indian students. A feeling of belonging is being fostered through parental involvement, student clubs, and youth opportunities activities. Consequently, dropout rates and absenteeism are beginning to decline. At the same time, remedial, tutorial, and enrichment programs are helping to raise achievement scores. On the North Carolina Competency Test for high school graduation, Indian students have made dramatic gains. In 1978, 79 percent of the Indian students passed the reading test and 72 percent passed the math test. In 1982, 87.5 percent passed the reading test and 83.1 percent passed the math test. Annual test scores in reading and mathematics show the similar progress at each grade level tested.

While we are excited about the progress being made by our Indian students, we are concerned that funds might not be available to continue these successful programs. President Reagan has proposed a 37 percent rescission in Title IV-A in 1983 from an appropriation that was already $6.5 million below the previous year's level. In addition he has requested total elimination of funding for the program in 1984. If Congress were to approve this proposal, the public schools of North Carolina would lose 100 part-time and full-time staff members working solely with 16,432 Indian students.

The Administration has indicated that Johnson O'Malley, impact aid, ECIA Chapter 1, and vocational education funds could be used to continue Title IV programs. This proposed solution has little practical value in North Carolina. The State's public schools have never received Johnson O'Malley allocations. Impact Aid funds to the State are being reduced by two-thirds, and many local education agencies with high Indian enrollments do not qualify for impact aid funds. North Carolina's Chapter 1 allocation will be reduced by $7 million in fiscal year 1983 and an additional $10 million in fiscal year 1984. The President has proposed a 42 percent reduction in vocational education funds. How do we continue the Indian programs with other federal funds when we are faced with such drastic reductions in those programs?

The picture at the State level is not much brighter. Even though the state has made a commitment to Indian children and the Department of Public Instruction has established a Division of Indian Education, revenue is not available to start new programs or continue those dropped by the federal government. The Governor has instructed local education agencies to reduce their State expenditures by 2 percent during the current year, and the outlook for 1983-84 is not any better. At the local level, many Boards of County Commissioners are instructing Boards of Education to hold the line on their budget requests.

This information is provided to indicate that our only hope for continuing special programs for Indian students in the North Carolina public schools is continued funding of Title IV-A of the Indian Education Act. We urgently request that you reject the President's proposed rescission in fiscal year 1983 funds and that you appropriate adequate funds to continue these programs in fiscal year 1984.

Mr. WOODCOCK. Mr. Swett, go right ahead.

Mr. SWETT. Thank you. I come with a background of having had experience on the national level because I was involved in the early establishment of the Office of Indian Education in the former U.S. Office of Education which was in the Department of Health, Education, and Welfare. Consequently, I have had experience on the national, State, and local levels.

Mr. Woodcock, with your permission, I would like to submit for the record a prospectus of the Robeson County School System which has been prepared by my staff. That information has been forwarded to your office.

Mr. WOODCOCK. It will be included in the record.

Mr. SWETT. In the interest of time, I will not attempt to give any specific information because Mr. Webb has given a good overview of the State. Since we have over half of those 16,000 Indian students in our school system, I think his statistics would be very reflective of ours.

However, for the record I would like to clarify one item that is in the information I have submitted to you which indicates that the drop-out rate table is incorrect. The percentage in that table is a percentage of those 300 students who dropped out of our school system in 1981-82, however, our annual dropout rate is 9.5 percent.

We have had many involvements with our parent committee. We have a 40-member parent committee. Out of that 40-member parent committee we have been fortunate to have 4 of those members either serve on our board of education or currently serve on our board of education. I think that speaks to the impact of getting parents involved in leadership roles. That is not only true in our situation, but you will find the same thing is true in others. Therefore, parental involvement is a vehicle to develop leadership.

We are pleased with the progress. We are mainly concerned about the staggering problems in low academic achivements and rural social and cultural isolation, the tax base for the support of public education and increasing rate of unemployment which will continue to contribute to social, economic, and political deprivation in our community.

Our progress and programmatic impact are evident. The fact remains that Indian students continue to incur high rates of school dropouts, fail to attend school regularly, and comprise the majority of school suspensions and dismissals.

They are showing improvement in academic performance but at a slower rate and much less than their white counterparts. They continue to suffer from racial stereotyping, economic, social, and cultural deprivation.

Our school system has 14,500 students, and 61 percent of that student population is Indian students.

In the past year I recommend to the board, and they approved, the reorganization of the Federal education programs into the Division of Compensatory Education with an assistant superintendent for compensatory education.

This division includes chapter I low-income programs, title IV Indian education, and migrant education. The purpose of this reorganization was to develop an appropriate administrative structure to organize for maximum utilization of all available resources and funds, to avoid excessive administrative structures and costs, and to develop a system for coordinating and integrating all Federal support programs for improved programs and services to the largest number of students while insuring that neither duplication nor supplanting occurred.

We realize that with this reorganization we still must maintain the integrity of each of the separate programs.

Recently, there has been some discussion advocating the phasing out of Indian education programs because Indians can access other Federal educational programs and services. The advocates of this theory of educational administration confess to an ignorance of culturally relevant factors which must be considered in any effective Indian education program in addition to an ignorance of the fact that pluralism and multicultural education exists in theory, not in practice

In response to those who advocate that title IV has increased Indian parental involvement in educational decisionmaking and that Indian students have accessed schools and school activities to the fullest, we cannot accept their rationale.

It is true that Indian students are eligible and do, in fact, participate in other Federal educational programs, but it is also true that the special educational and culturally related programs and services specifically designed for and by Indians do not exist, nor does the mechanism exist to provide for the special focus provided for and mandated in the title IV: Indian Education Act.

Too often program administrators are inept to become creative and innovative in utilizing the flexibility in planning, developing, and administering Federal programs. Consequently, when their ineptness is enhanced by lack of sensitivity, racial descrimination, and historical and traditional stereotyping, Federal educational programs are used for political expediency and too often reinforce attitudes and traditional approaches as opposed to developing a commitment to and a philosophy of change for improvement of instruction.

These same traditional attitudes often restrict access to other programs and services by Indians because traditionally the Bureau of Indian Affairs within the Department of Interior is viewed as the agency for delivery of services to Indians, and such services are not accessible to all Indians and Alaskan Natives.

To these advocates who say that Indian education programs are no longer needed, we would ask Congress to clarify the legislative intent in all Federal programs and services which will insure accessibility by all Indians in these other programs.

Such accessibility has been insured in the title IV: Indian Education Act by a clarification of legislative intent to provide programs and services to all Indians through a policy of inclusiveness in defining criteria for eligibility which recognizes the diversity of American Indians and Alaskan Natives and by providing for an effective and efficient delivery system and program administration by Federal direction, local level discretion, and maximum local input for localizing programs and services to meet identified needs of the local service area.

No other Federal educational program available to American Indians and Alaskan Natives insures this flexibility and at the same time mandates that they will be served.

The fact that Indians have not had full access to these other programs is evidenced in the fact that no Indian programs have been included in the national diffusion network of model and exemplary educational projects.

Should the U.S. Congress approve the proposal to phase out the title IV Indian education project, American Indians and Alaskan Natives will not gain access, rather they will regress to the same level of priority in educational circles of the period prior to enactment of the title IV: Indian Education Act.

In closing, again I would like to express our appreciation to you, Mr. Chairman, and to the members of this committee for your continuing interest and high level of support for educational programs and services to American Indians and Alaskan Natives.

Indeed, you have been patient, tolerant, understanding, and indulgent while we have been plagued with many problems and diligently sought the most appropriate method for improving the education of American Indians and Alaskan Natives.

We believe that we are well on the way to realizing improvement and positive project impact, and we seek your continued support and ask for your assistance in opposing either any proposals for rescision of funds or phasing out the title IV Indian education programs, and certainly we seek your strong advocacy and support for reauthorization of this unique Federal initiative which reaches all American Indians and Alaskan Natives.

We look forward to sharing many more exciting and beneficial accomplishments in Indian education in the future.

Thank you, Mr. Chairman.

Senator MELCHER [acting chairman]. Mr. Swett and Mr. Webb, we had testimony from the Department of Education yesterday. They seemed to have come down pretty heavily on their belief that general education programs that are federally funded would be able to help any nonfederally recognized urban Indian service populations.

Do these programs work? Have you used them in the past for Indian children?

Mr. SWETT. Senator, let me address that question. Prior to your coming in, I indicated that my background includes having had experience on the national level because I was involved as one of the first ones to help establish the Office of Indian Education in the old HEW.

I think that if you go back and check the record you will find that in Congress's wisdom for the creation of title IV, the accessibility to the then title I, which was perceived as a basically Black program, was the issue because communities across this country did not have access to title I programs and services.

With the creation of title IV, you have been able to provide a vehicle which is one mandating the involvement of the parents in a stronger role than you find in advocacy in other roles.

From that, the parents feel like they have been a part of the establishment of the programs that are administered in the local school systems, and with their support, when you have the school system and the parent working hand in hand, then you begin to see positive results.

My concern is that if you phase out title IV then you eliminate that vehicle. You know the tremendous amount of energy it takes to move a boxcar and get that boxcar going. I feel as though now in Indian education the energy has been generated, the boxcar is moving, we are beginning to see a lot of positive results. If we terminate it now I feel as though we will again create some of the same problems that have occurred in the past.

When things begin to move and the funds are cutoff, where do we go?

Another thing that bothers me is that we have a tendency to have bleeding hearts for many of the persons who have problems, the Cuban refugees, or the Haitians, or others who come into this country. We pour millions of dollars into those causes.

Yet here we are talking about a population that was here. They have a history. For some reason this country has neglected those needs and is not attempting to put the adequate dollars there to provide the leadership and the types of programs necessary.

I would be strongly in opposition to seeing title IV phased out. I feel like those in the Office of Education need to read some of the earlier portions of the 1969 studies and research which created this legislation.

Senator **MELCHER**. How would it affect the Department of Public Instruction in North Carolina, Mr. Webb, if it were phased out?

Mr. **WEBB**. If it is phased out, the Department of Public Instruction would view it as a great loss in that we were concerned not only about the fact that this program is designed to meet special, unique needs of our Indain children, but we are concerned too that other funds are not available to pick up those programs.

As I indicated earlier, the cuts are so deep in chapter I, vocational education, impact aid, what the President and the administration have proposed we use to pick up these programs, we do not know how that would be possible.

The Department of Public Instruction in North Carolina has a commitment to Indian education in our schools. We have a division of Indian education and have had for several years.

However, the chances of obtaining additional moneys through the North Carolina General Assembly, when they are already saying we have to cut, is going to be very difficult.

The Department of Public Instruction would view any decrease, especially the elimination of Indian education programs from the Federal level, as a tremendous loss in the State of North Carolina.

Senator **MELCHER**. Mr. Swett seems to have indicated in his testimony that title IV was not burdened with too much redtape and paperwork. Did you find that to be true in the Office of Public Instruction, Mr. Webb?

Mr. WEBB. Since title IV is a program that bypasses the State level and funding is made directly to the local level, of course, this has not been a paperwork burden on the Department.

There are programs operated by the Federal Government where paperwork is extremely heavy. This is not one that causes a lot of paperwork for us.

Senator MELCHER. Well, I imagine you have about as much to do with it as you do with impact aid.

Mr. WEBB. It is about the same kind of program.

Senator MELCHER. Because of that they are model programs in government efficiency, and they are very unique.

Mr. WEBB. They are that.

Senator MELCHER. I wish we had more like it where the Federal Government knew exactly what they wanted to do with the money.

Mr. Swett, there just is not going to be any money for the education of these children if it is not provided. Is that not true?

Mr. SWETT. You pinpointed a question, and your perception of it is correct.

Senator MELCHER. We have been hearing, and I have heard it often enough that I can almost quote the date—I think January 24 President Reagan was supposed to announce his policy, is that the right date by any chance?

Mr. SWETT. Yes; or the 25th.

Senator MELCHER. Well, it was about then. Late in January he announced the program for this administration. If part of that program is not to educate Indian children, I would not have announced it to begin with. I would have forgotten about it.

I do not know what is going on here, but as far as this budget proposal is concerned, I think it is our job in Congress to make sure that we do not provide any less for education or for health or for any of the vital needs for Indian people than we did last year.

Now, we heard a lot of things yesterday—and I am still a little confused from what we heard—that supposedly some Indian children who are in the super A school districts are going to get more money. I am delighted to hear that.

However, if it means more money for super A students and less money for those who are not in those super A school districts, then I think we have some correction to make, and we must make it. There was not any extra money to go around last year or the year before or the year before that. Just to show I am nonpartisan on that, it was the year before that and the year before that and the year before that: all through the Carter administration.

There was not any extra money to go around then either. It barely kept the programs alive. We can do no less this year. I trust that this committee can have some strong input into the appropriation process and that we will use great wisdom and caution in that process.

I am very proud of the membership of this committee on both sides, Republican and Democratic. I believe that we do have some influence in the final outcome of the appropriations for these programs. So, as of right now I will knock on wood, but I believe we well be all right after the dust settles here.

Mr. SWETT. Thank you, Senator, I appreciate the support that has been given in the past by the bipartisan efforts to maintain that commitment that was started several years ago.

Senator MELCHER. I thank both of you very much.

[The prepared statement and prospectus follows. Testimony resumes on p. 302.]

PREPARED STATEMENT OF PURNELL SWETT, SUPERINTENDENT, ROBESON COUNTY BOARD OF EDUCATION, LUMBERTON, N.C.

Chairman Andrews and other distinguished members of this committee, I am Purnell Swett, superintendent of the Robeson County Board of Education which serves the largest number of Indian students enrolled in public schools east of the Mississippi and representative of the largest tribal population of non-reservation Indians in the Nation. Our school district has appropriately certified and has on file a total of 8,747 OE 506 Indian student certification forms, and since 1977, the Robeson County compensatory Indian education project funded by the Title IV, Part A, Indian Education Act has averaged providing direct educational and cultural enrichment programs and services annually to 60 percent of the certified Indian students enrolled in our 28 schools. Our school district also has the privilege of having received the second largest grant award for any Part A Indian education project in the Nation.

Our school district has been privileged to have had the opportunity to present testimony in support of Title IV Indian education Act programs in the past, and certainly we consider it an honor and privilege to have this opportunity today.

From 1973 until 1975, I served as the Senior Executive Officer for the Office of Indian Education in the former U.S. Department of Health, Education, and Welfare. Consequently, I have had an opportunity to observe Indian education programs at work on the national, state and local levels. I am aware of the complexity of designing Federal administrative rules and regulations for programs to meet a diversity of special needs and special problems. At the same time, I am well experienced in the many tasks in effectively integrating and coordinating Federal educational programs with other local educational programs while mandating full assurances and compliance with Federal rules and regulations.

With your permission, I am submitting for the record a prospectus of the Robeson County Indian education project which has been prepared by our project staff. Upon close review of this information, I believe that you will agree that contrary to the many problems of the past, Indian education programs are being appropriately administered and that the public schools are appropriate vehicles for beneficial and effective delivery of special academic and culturally related programs for Indian students. I would also ask your agreement to the fact that given appropriate guidance, flexibility and adequate funding, public school districts can develop data based systems which can be examined for measuring program impact and also have applicability for replication as well as generalization for other educational programs and services for special needs populations.

In addressing the programmatic impact of Indian education programs according to acceptable standard educational research and measurement practices, our statistics indicate positive programmatic impact in:

(1) Reducing the daily absentee rate from 5.10 percent in 1973 to 4.82 percent in 1982;

(2) Reducing the rate of Indian school drop outs from 69.75 percent in 1973 to 60 percent in 1982;

(3) Increasing the number of Indian students identified as gifted and talented from 38 in 1973 to annual services for 120 Indian students;

(4) Increasing academic performance as measured by standardized test of first graders from 37.2 percent scoring at or above grade level in 1977 to 62.9 percent scoring at or above grade level in 1982;

(5) Reducing the number of Indian students entering directly into the work force from 46 percent in 1973 to 27 percent by encouraging Indian students to pursue postsecondary training and higher education.

Beyond these statistics, we would cite other positive accomplishments of the Robeson County project:

(1) An active 40-member title IV Indian education parent committee which has received and participated in a variety of leadership development activities and which participates to the fullest in educational decisionmaking regarding title IV Indian education programs and services; and one which has yielded a total of four

members who have or who currently serve on the Robeson County Board of Education;

(2) A series of activities involving planning, piloting and demonstration of a culturally relevant multi-media Indian studies curriculum designed within the scope and sequence of the North Carolina State course of study for social studies, which has been broadly disseminated to all regional educational centers within the State for replication in all public schools with a high incidence of Indian student enrollment, and which is currently being submitted for review for inclusion in the national diffusion network of exemplary educational programs;

(3) The informal development of a technical assistance team of experienced staff which participates in a statewide consortium on Indian education to assist other title IV grantees and public school districts in local consultation regarding the project application process, innovative and creative approaches to administering title IV Indian education projects, and sharing and exchange of curricular materials and resources, and the co-sponsorship of annual meetings and conferences to title IV parent committees and project staff to develop a statewide and unified effort for the improvement of the education of Indian students enrolled in public schools in North Carolina.

While we are pleased with the progress thus far, we remain concerned about the staggering problems of low academic achievement, rural, social and cultural isolation, the eroding tax base for the support of public education, and increasing rates of unemployment and underemployment which will continue to contribute to social, economic and political deprivation in our community. While progress and programmatic impact are evident, the fact remains that Indian students continue to incur high rates of school drop outs; fail to attend school regularly; comprise the majority of school suspensions and dismissals; are showing improvement in academic performance but at a slower rate and much less than their white counterparts; continue to suffer from racial stereotyping and economic, social and cultural deprivation. These problems are common to Robeson County while Indian students comprise 61 percent of the total student enrollment; Indian professionals comprise 48 percent of the total professional staff; and Indians hold the majority of school board seats on the Robeson County Board of Education.

Within the past year, I recommended to the board and the board approved, the reorganization of Federal educational programs into the division of compensatory education with an assistant superintendent for compensatory education. This division includes chapter I low income programs, title IV Indian education, and migrant education. The purpose of this reorganization was to develop an appropriate administrative structure to organize for maximum utilization of all available resources and funds, to avoid excessive administrative structures and costs, and to develop a system for coordinating and integrating all Federal support programs for improved programs and services to the largest number of students while ensuring that neither duplication nor supplanting occurred. With this reorganization, the demonstrated success of effective programs and service together with the expertise of project staff have contributed to more effective assessment. Planning, coordination and improved delivery of services. While each Federal program maintains its separate identity and legislative mandate, this organization for program administration provides for several options for support programs based on individual needs, interests and abilities, and also allows for more flexibility in program planning and development for maximization of all resources. The reorganization has enhanced effective administration while placing Indian education at the same level of priority as all other educational programs and services. Placing an assistant superintendent and this division within the total administrative team for all educational planning ensures that Federal support programs will be effectively integrated into the total educational program. As a matter of fact, a recent evaluation of the fiscal year 1981 Indian education project indicates that the title IV project has been so successfully integrated into the total educational program that students and parents are fully aware of the special programs and services but are unclear of their source of funding and administration. As a public school superintendent, I believe this fact speaks clearly to our commitment and our philosophy of maximizing all available resources for the fullest impact on educational needs and improved program and services.

Recently, there has been some discussion in advocacy of phasing out Indian education programs because Indians can access other Federal educational programs and services. The advocates of this theory of educational administration confess to an ignorance of culturally relevant factors which must be considered in any effective Indian education program in addition to an ignorance of the fact that pluralism and multi-cultural education exists in theory, not in practice. In response to those who advocate that title IV has increased Indian parental involvement in educational decision-making and that Indian students have accessed schools and school activities to the fullest, we cannot accept their rationale. It is true that Indian students are eligible and do, in fact, participate in other Federal educational programs, but is it also true that the special educational and culturally related programs and services specifically designed for and by Indians do not exist, nor does the mechanism exist to provide for the special focus provided for and mandated in the title IV Indian Education Act. Too often program administrators are inept to become creative and innovative in utilizing the flexibility in planning, developing and administering Federal programs. Consequently, when their ineptness is enhanced by lack of sensitivity, racial discrimination and historical and traditional stereotyping, Federal educational programs are used for political expediency and to often reinforce attitudes and traditional approaches as opposed to developing a commitment to and a philosophy of change for improvement of instruction. These same traditional attitudes often restrict access to other programs and services by Indians because traditionally the Bureau of Indian Affairs within the Department of Interior is viewed as the agency for delivery of services to Indians and such services are not accessible to all Indians and Alaskan Natives. To these advocates who say that Indian education programs are no longer needed, we would ask for clarification of legislative intent in all Federal programs and services which will ensure accessibility by all Indians in these "other" programs. Such accessibility has been insured in the title IV Indian Education Act by a clarification of legislative intent to provide programs and services to all Indians, through a policy of inclusiveness in defining criteria for eligibility which recognizes the diversity of American Indians and Alaskan Natives, and by providing for an effective and efficient delivery systems and program administration by Federal direction, local level discretion and maximum local input for localizing programs and services to meet identified needs of the local service area. No other Federal educational program available to American Indians and Alaskan Natives ensures this flexibility and at the same time mandates that they will be served. The fact that Indians have not had full access to these "other" programs is evidenced in the fact that no Indian programs have been included in the national diffusion network of model and exemplary educational projects, and should the United States Congress approve the proposal to phase out the title IV Indian education project, American Indians and Alaskan Natives will not gain access, rather they will regress to the same level of priority in educational circles of the period prior to enactment of the title IV Indian Education Act.

In closing, again I would like to express our appreciation to you, Mr. Chairman, and to the members of this subcommittee, for your continuing interest and high level of support for educational programs and services to American Indians and Alaskan Natives. Indeed you have been patient, tolerant, understanding and indulgent while we have been plagued with many problems and diligently sought the most appropriate method for improving the education of American Indians and Alaskan Natives. We believe that we are well on the way to realizing improvement and positive project impact, and we seek your continued support and ask for your assistance in opposing either any proposals for rescession of funds or phasing out of title IV Indian education programs, and certainly we seek your strong advocacy and support for reauthorization of this unique Federal initiative which reaches all American Indians and Alaskan Natives.

PROSPECTUS OF THE ROBESON COUNTY COMPENSATORY INDIAN EDUCATION PROJECT

While we recognize the responsibility of states to provide for the education of the people, it is important to state that often repeated unsuccessful attempts and negotiations to obtain federal educational programs and services for Indians in Robeson County, the Department of Interior reported that "limited funds were needed for other Indians who were less civilized than the Indians of Robeson County." In 1885, the State of North Carolina enacted legislation to provide for separate educational facilities for the education of Indians in Robeson County, and in 1887, established the first institution for the higher education of Indians in the Nation, an institution which is today a part of the North Carolina University System but since 1958 has no longer been designated as an Indian institution. In spite of this historical role of state aid to the education of Indians, some Indian communities did not establish Indian schools until as late as 1956 and no longer exist as Indian schools. Until the Title IV Indian Education Act, no financial assistance for higher education of Indians had been provided and Indians have been excluded from eligibility for minority presence monies in state institutions for higher education. In 1982, the N. C. Legislature appropriated $100,000 for one year during the "pork barrel" session.

Although the State of North Carolina has been progressive in legislative initiatives for the education of Indians, history records these actions as politically expedient and limited in impact, compared with other Indian tribes and groups, the Indians in Robeson County have the highest levels of educational achievement, possess the largest number of college degrees, and have the largest number of trained professionals, however, when these positive factors are compared with the size of the Indian population, 40,000+, the numbers are of little significance and speak to the fact that state support and state commitment to the education of Indians, in spite of a progressive legislative history, has much to accomplish in order to achieve standards of excellence. A philosophical commitment does not ensure the commitment of necessary resources.

With the enactment of the Title IV Indian Education Act in 1972, Robeson County Indians and the Robeson County Board of Education have sought to take full advantage of the opportunities for the improvement of education of Indians made available through this federal initiative.

Since its inception in 1973-1974, the Robeson County Compensatory Indian Education Program has consistently ranked as one of the largest funded and best conceived projects in the nation. Funding allocations have progressed from a 1973-1974 award of $485,430.90 ($64.67 per pupil) for the system's 7,537 certified Indian students to a current grant award of $1,081,656.00 ($123.66 per pupil) for the 8,747 Indian students for whom Indian Certification (506) Forms are on file. During this same period, the state and local commitment to the education of Indian children is reflected in their combined 1973-1974 per pupil allocation of $668.39 to a fiscal 1981-1982 per pupil allocation of over $1,500.00. Recent educational research studies of compensatory education programs have consistently pointed out that in order for programs to effectively impact the education of children, and especially disadvantaged youth, a larger allocation of local, state, and federal resources is required.

Now, more than any other time in the past, special educational programs and services intended to compensate for a complexity of social, economic, and educational deprivations suffered by the poor, and minorities in particular, must be maintained. The continued persistence of economic deprivation attributable to either absent, non-producing, or marginally producing breadwinners (80 percent of Robeson County residents are classified as economically deprived), the persistence of deeply ingrained and baseless stereotyping, the lack of an "educational tradition" in the home, the social alienation caused by racial discrimination and its accompanying deprivation in housing, employment and education, and the geographical isolation which prevents "full" access to opportunities tend to impact negatively upon those measures by which school success is measured—attendance, drop-out rates, grades, standardized test scores, job (career) preparation and success, and participation in school activities. The statistics enclosed demonstrate the extent of the problem in the Robeson County school system as well as document the positive impact federal funds has had upon the education of the system's Indian students. Listed below are a few sample cases extracted from those statistics.

Absenteeism: In 1973 the daily absentee rate was 5.10 percent; in 1982, this rate had been reduced to 4.82 percent: an improvement which can be directly attributed to Title IV-A sponsored counseling programs, home visitations, after school interest classes, and other special educational programs and activities designed for Indian students.

Promotions/Retentions: In 1973, 2.09 percent of the population was being retained at grade; in 1982 this percentage has risen to 9.72: a clear indication of the influence of new and alternative approaches to education including accountability, voucher plans, performance appraisal and a host of other conservative reactions to the increasing costs of public education as well as the need to make educational institutions more sensitive, less bureaucratic, discourage professional inbreeding, oust outdated standards, give direction to hesitant leadership, and give meaning and purpose to education for life in a complex and changing society.

Drop-Outs: The magnitude of the drop-out problem is staggering with the rate for high school students consistently averaging well above 40 percent. In 1973, 69.75 percent of all drop-outs among Robeson County youth were Indian. By 1982, and with the intervention of special counseling programs, competency test orientation, career orientation, and other programs this rate has been reduced to 60 percent, meaning that Indians are now leaving school in proportion to their actual representation in the population. However, the annual drop-out rate remains at about 10 percent.

Exceptional Programs: In 1973 a mere thirty-eight (38) Indian students were identified and participating in programs for gifted and talented students. Title IV-A instituted a gifted and talented program that has been instrumental in identifying gifted and talented Indian students, providing special summer enrichment programs, and enrolling Indian students in state sponsored educational enrichment programs for gifted and talented students. The project annually works with approximately 120 Indian youth, and in 1982, 126 were participating in gifted and talented classes.

Standardized Testing: Since the system began its annual testing program in 1977 students have made continued progress. Thirty-seven point two (37.2) percent of the first graders were at or above grade level in 1977. By 1982 tutorial programs and other special intervention programs had enabled sixty-two point nine (62.9) percent to score at or above actual grade level. Similar trends hold true for all grades tested (1,2,3,6, and 9). However, longitudinal studies of the same group shows that the effects of educational deprivation tend to become increasingly more acute as the student progresses through the grades. Further, a student who was five months behind at the end of grade three will probably fall even further behind each year, and by the time he reaches grade 10, be scoring as much as two to three years below grade. these test results also reveal that while Indian youth are closing the gap between the national test and the local norm, a wide gap still exists between the scores of Indian students and their white counterparts.

Post Secondary Education: Graduate statistics also reveal that forty-six percent (46 percent) of the Indian students leaving high school in 1973 went directly into the work force and that by 1982 this figure had dropped to twenty-seven percent (27 percent). Though improvement has been made, this statistic is alarming when one stops to consider the fact that the rapid proliferation of new career options is making the talents of the average high school graduate obsolete. These data, along with a wealth of other information, indicate that while Title IV Indian Education Act programs have helped to improve the status of Indian youth, most are still ill-prepared to meet the challenges of a rapidly changing society.

In Robeson County, the Title IV, Part A program has been integrated into the organizational structure of the school system. Of fundamental importance has been the coordination of project funds with other programs and community agencies, organizations and institutions to ensure the maximation of available resources and to avoid duplication of services. At the same time, the LEA allowed project staff and the parent advisory committee the flexibility to plan, develop and implement program components based on "community prioritized" needs. The end result has been the emergence of a "model" project which is presently initiating efforts for nomination by the Department of Education's Joint Diffusion Review Panel for inclusion in the National Diffusion Network which will examine the projects' claims of cognitive and affective educational impact and consider the project for national dissemination. Progject accomplishments which will be modeled include:

1. Effective participatory educational governance at the local level with special emphasis on parental imput into educational decision-making which has led educators and auditors to regard the local Title IV Indian Education Parent Committee as "The most involved, well informed and effective Parent Committee in the country".

2. An educationally sound approach to integration of culturally relevant and culture-based instruction and approaches within the framework of the regular instructional program while exposing Indian students to the larger culture and society and introducing the contributions of Indians to the American public classroom.

3. Maintenance of cultural identification and reinforcement as part of the total process of education.

4. Planning, piloting and demonstration of effective approaches to meeting the special educational needs unique to American Indian students.

5. Flexibility in programs and services to meet a wide range of special needs as opposed to the limited remedial focus of other educational programs and services for disadvantaged students such as:

a. Individual and group counseling which annually serves approximately over 500 of the 6,000 students who have an identified need for these services;

b. Tutorial classes which annually serve approximately 400 of the 6,000 plus Indian students with identified needs for tutorial assistance;

c. After school classes in crafts, career orientation, and historical research which annually serves only 150-200 of the system's 9,000 Indian youth;

d. Test orientation designed to increase test taking skills for increased test scores which annually serves only 80 of the system's Indian students;

e. Field/Resource trips to combat rural and cultural isolation which annually serves 5,000 plus of the population;

f. Leadership training for youth development and increased awareness of opportunities serving approximately 80-100 students annually;

g. Special cultural awareness programs and presentations which reach about 5,000 students each year;

h. Home visitations to encourage and foster better home-school communications and increased parental support for approximately 500 students each year;

i. Medical and Dental services for 600 plus students out of the 6,000 who have been identified as being in need of dental services and for whom these services are not provided and not available through other agencies or programs;

j. Special summer enrichment programs for 300 youth which broaden and enrich students' experiences beyond the regular classroom experience;

k. Development and piloting of a multi-media Indian studies curriculum which has integrated into the local social studies curriculum and will be proposed for state adoption for inclusion in the Scope of Study of the N.C. State Department of Public Instruction. This program annually reaches 2,000 plus students and materials have been disseminated to all State Regional Educational Centers and by request to school districts and teacher-training institutions across the nation;

1. Transportation for over 5,000 youth to activities and events which they would otherwise not be able to attend.

Historically Indians have been served as separate entities, and in view of economic restraints on state and local educational budgets, attitudes will not be quick to accept extensions of already limited budgets to adequately address a special population. AFter ten years of categorical programs, minorities will class and create stressful situations which will greatly negate the progress which has been made. Such integration and fusion will require adequate time for appropriate and cooperative planning and coordination to avoid disruption of successful school programs and services.

Historically Indians have not shared in minority and disadvantaged programs because the Bureau of Indian Affairs is perceived as the delivery agent for all Indians. Those Indians who are ineligible—for Bureau services—off reservation, urban and rural and non-federally recognized—are grossly neglected and inadequately represented in proportion to their population when forced to compete with these programs. Consequently, competition for financial aid for higher education now available in Part B programs and through other sources would be too keen and non-productive without specific program set-asides or clarifying legislation to ensure eligibility of Indians for programs and services other than BIA.

Access of state delivery systems such as Adult Basic Education and High School Equivalency as provided for by Part C to Indian communities is practically non-existent, therefore, to expect states to develop new initiatives with less funds is unrealistic.

Title IV Indian Education Act programs as currently administered is an ideal model for ensuring participatory governance and ensures maximum benefits to American Indian and Alaskan Native students and adults without unnecessary levels of administration. The current administrative mode is in keeping with the concept of local decision-making and federal initiatives for the improvement of education, and in this case, fosters creativity and local level innovation in educational decision-making while maximizing opportunities for parental involvement and broad based community support for public education. Direct funding to local educational agencies places legal and financial responsibility at the local level and increases the demand for accountability at the local level while ensuring that the education of Indians receives priority and equitable treatment in total educational planning.

Given an opportunity to continue to demonstrate the ability to help guide and shape educational policy in the larger framework, American Indians and Alaskan Natives can and will maintain and sustain educational advancement.

[Appendix material retained in Committee files.]

Senator MELCHER. We have a need to call up some Montana witnesses right now. We will call on Caleb Shields. Ken Smoker, Jr., is with him. They are council members from the Assiniboine and Sioux Indian communities, Fort Peck Reservation at Poplar, Mont.

We also have Greg Dumontier, director of the tribal health department, St. Ignatius, Mont., and Earl Old Person who is chairman of the Blackfeet Indian Tribe in Browning, Mont.

Mr. Shields.

STATEMENT OF CALEB SHIELDS, TRIBAL COUNCILMAN, ASSINIBOINE AND SIOUX TRIBES, FORT PECK INDIAN RESERVATION, ACCOMPANIED BY KENNETH SMOKER, JR., COUNCILMAN, FORT PECK TRIBES

Mr. SHIELDS. Thank you, Mr. Chairman. My name is Caleb Shields, and I represent the Assiniboine and Sioux Tribes of the Fort Peck Reservation. My testimony today will concern itself with the specific problems facing us at Fort Peck, but I would like to state for the record that the difficulties I will speak of are prevalent throughout Indian country. My testimony today will address the four major areas of the Indian budget: IHS, BIA, OIE, and ANA.

First I would like to take a few moments to address the major aspects of the IHS budget. In overview, the fact is that over the course of the last 3 years the IHS budget has simply not kept pace with inflation and IHS' capability to deliver services has been seriously reduced.

Our concerns run to a number of IHS programs. First, in the area of clinical services, the Fort Peck Tribes are seriously concerned with the administration's proposed budget for hospital and clinic operations, as it places an unrealistic dependency on third-party reimbursement moneys.

We have been informed by IHS staff that the agency anticipates that it will collect between $20 and $30 million in third-party reimbursement moneys in fiscal year 1983. In reading the IHS proposal, however, we see that it assumes that $62 million of this money will be used in hospital and clinic operations.

In short, the Fort Peck Tribal Council is very concerned that the IHS would place such critical needs as kthe operation of a clinic and/or hospital at the mercy of an unrealistic hope.

Our clinics at Fort Peck are presently not receiving anywhere near adequate funding to provide needed services, and our local staff feel that the proposed increase in this program is not sufficient to cover our needs in fiscal year 1984.

We ask that the committee review the level of services presently being provided by IHS and the actual costs for providing these services and recommend in your report to provide an increase to the clinical services budget sufficient to cover present needs.

In addition to our concern over the operation of the hospital and clinic, our tribal council is also extremely concerned with the lack of adequate funding for the contract health care program.

Fort Peck Tribes, like the overwhelming majority of Indian tribes throughout the country, is forced to operate its contract health care program on a priority No. 1 basis. Backlogs of needed surgery are developing, morale is dropping among members of our health professional community, and the situation is worsening daily.

While we are concerned with the lack of adequate dollars in this area, we are equally concerned and opposed to the IHS plan to address this problem: competitive bidding for contract health contracts.

On the Fort Peck Reservation are two community hospitals, Poplar and Wolf Point. Because a large percentage of the service populations of both hospitals are Indian, both of these facilities depend on IHS reimbursement to cover a substantial percentage of their operating costs.

If the IHS is allowed to institute its competitive bidding program in early April, we have no guarantee that both of these facilities will be designated as contract health care providers. That means that one of these facilities may be forced to close and a percentage of our Indian people forced to drive up to 50 miles for needed services. If both close, they would be forced to seek services off the reservation.

We encourage the committee to review the funding needs in the contract health care area and provide adequate funding and recommend in your report to return the program to its prefiscal year 1981 level. We also ask the committee to make every effort possible to stop the IHS sfrom implementing its competitive bidding process.

As we have testified for the past 3 years, the Fort Peck Tribes continue to oppose the elimination of the community health representative program. This program is the core of our health outreach operations. It is needed, it is cost effective, and we can only hope that the committee will again see fit to recommend in your report to fund it at a workable level.

Also, as previously testified, the Fort Peck Tribes oppose the proposed phaseout of the Indian health manpower program. The Billings area is faced with a 30-percent shortage of doctors, and our shortage of nurses is even more serious.

We realize the importance of placing Indian health professionals in reservation-based positions, and we also realize that Indian students have very few options for obtaining financial assistance other than from this IHS program.

We see the success of programs such as the Indians in medicine program of North Dakota, which provides not only financial and technical assistance to Indian students but also a supportive, positive environment where they are surrounded by moral support.

We ask that this administration and the Congress join with Indian tribes in taking pride in those Indian students seeking a health-related education and support them by continuing and expanding financial assistance under the IHS manpower program. We also ask that the committee commend the INMED program for its outstanding success and fully support its request for needed dollars.

Two statements on old problems; first, the Fort Peck Tribes continue to strongly support the need for urban health programs. Not only are these programs clearly needed, but we also fully realize that, the economy being what it is, Indian people living in urban areas will be forced to turn to the tribes for needed health services if these urban projects are closed. The Fort Peck Tribes support the need for adequate health care services for our people regardless of where they live.

Second, I would like to again point out that the Fort Peck Tribes support adequate funding for water and sewer projects in the IHS budget. IHS is the only agency which can provide such services to HUD, BIA, and tribally constructed projects. It has the skills, the equipment, and the experience in this area, and it should be funded to do the job.

HUD's new proposal to pay for water and sewer hookups in HUD units seems ridiculous at best when it talks about requesting congressional appropriations from the Federal Treasury and then going through two layers of bureaucracy to turn around and transfer dollars to the IHS to perform the task which it is already geared up to do in the first place. We hope that the Congress will again find this proposal both illogical and unnecessary and appropriate dollars to IHS to do the job.

One last but major point on IHS is that we are concerned with the administration's failure to request planning and design dollars for new health facilities.

The Wolf Point outpatient facility, which is to be located on our reservation, is one of the top three projects on the IHS outpatient construction priority list. We have waited a long time to move into this position, and we ask that the committee provide us with sufficient dollars to finally begin to make this project a reality.

I would like to take just a few moments to address the OIE proposal. The Fort Peck Tribes are extemely concerned with the administration's proposal to eliminate the title IV program.

We have four public schools on our reservation which receive title IV assistance. They are Poplar, Wolf Point, Brockton, and Frazier. With appropriations for the impact aid program going down over the past few years and the fact that the Johnson-O'Malley program is already inadequate to cover basic needs, elimination of the title IV funding will deal a severe blow to every one of these school facilities.

Our tribal council, our parents, and our school personnel are all extremely concerned with the education of our children, and we strongly object to the proposed elimination of such a huge chunk of our schools' financial support.

What is even more upsetting is the combination of the proposal for title IV and the proposed cuts in the BIA Indian education programs. As we previously stated, the Johnson-O'Malley program is already inadequate to meet basic needs.

In addition to this our community college is struggling to maintain its current level of operation, and our higher education scholarship programs are running out of funds. Higher education and special graduate level education scholarships, such as the native American graduate program at MSU, Bozeman, are both critical components of our educational system, as are our community colleges.

We strongly urge this committee to appropriate adequate funding for all BIA Indian education programs and return funding for higher education and special education scholarships to a realistic level. These programs are already being cut enough by inflation.

For the record, we would also like to state our solid support for the efforts our community college is making to obtain adequate operation dollars.

Three other areas of the BIA budget are of serious concern to us. First, the proposed cuts in the BIA trust responsibility programs are most distressing. The BIA is an agency which justifies its existence based on its trust relationship with Indian tribes, yet Indian rights protection is one of the areas slated for the highest cuts.

The Fort Peck Tribes are one of a number of tribes who are seeking financial reimbursements from this program to litigate and negotiate our water rights, yet we remain on the waiting list.

We are also involved in a number of statutes of limitation cases, yet with the majority of work being slated to take place in fiscal year 1984, the BIA is requesting no moneys for this program. We can only hope that this committee will interpret its trust responsibility differently than the Office of Managemet and Budget has and restore these core programs to a workable level.

I would just like to state that the Fort Peck Tribes feel that the budgets for both irrigation construction and irrigation maintenance and repair are highly inadequate and that it is very disheartening to see this budget drastically reduced.

We feel that both these programs are integral parts of the BIA's program responsibilities. We encourage the committee to return them to a workable level.

Finally, I would like to state for the record that the Fort Peck Tribes strongly support the current activities of the administration for native Americans, Department of Health and Human Services, as it now functions.

ANA is providing essential, critical, and successful assistance to American Indians as mandated by the Native Americans Program Act of 1974. Priority areas are the development of programs which coordinate economic and social development for individual Indians and Indian tribes.

Grantees are encouraged to develop their human and natural resources in a balanced atmosphere which fosters both self-sufficiency and self-determination. As the only Federal program which provides assistance to all native Americans, ANA provides help in planning and implementing for locally determined social and economic development priorities.

At ANA administrative costs are paid by a separate budget line item. Program appropriations are spent to fund projects. ANA personnel are well versed with the program, its grantees and project selection criteria. We strongly advocate increased appropriations for ANA to allow it to continue these vital services. We request that the committee recommend the same in its report.

Thank you for this opportunity to testify. I will be happy to answer any questions you might have.

I would also like to state that our chairman, Norman Hollow, sends his best regards to you.

[The prepared statement follows:]

PREPARED STATEMENT OF CALEB SHIELDS, TRIBAL COUNCILMAN, ASSINIBOINE AND SIOUX TRIBES, FORT PECK INDIAN RESERVATION

Good morning, Mr. Chairman: My name is Caleb Shields and I represent the Assiniboine and Sioux Tribes of the Fort Peck Reservation. My testimony today will concern itself with the specific problems facing us at Fort Peck, but I would like to state for the record that the difficulties I will speak of are prevalent throughout Indian Country. They reflect the larger problem of reductions in services, facilities and manpower in an area which can accommodate no reduction. These decreases, when combined with an increased demand for services, create chaos.

I am most concerned with the inability or unwillingness of the Administration to acknowledge the additional burdens placed upon IHS during the past few years. Inflation and recession have caused many more Indian people to turn to IHS for their health care needs because private, state and other federal programs are proving either inadequate or nonexistent. Medical contract care costs, for example, have jumped disproportionately higher (some 30%) than the inflation rate as measured by the Consumer Price Index during the same period. As a result, services delivery diminishes as the service population expands. Yet the IHS budget has been increased only nominally in these years. The result: more Indian people vying for shrinking health care services.

Our Indian people are at the bottom of all statistical indicators which measure such things. We get sicker and die sooner than any other identifiable group in the United States. This tragic situation continues to exist despite a recent Federal acknowledgement of the need for improvement of health care services. The Indian Health Care Improvement Act was signed into law on September 30, 1976. This act acknowledges the special legal obligation of the United States to improve the health status of American Indians . . . "with all resources necessary to effect that policy". It should be a primary focus of this Congress and the Administration to effectuate this policy

Given this premise, I would like to take a few moments to address our basic concerns in each of the major IHS program areas.

Clinical service: First, let me state that the Fort Peck Tribes join with the National Indian Health Board in expressing their concern with the heavy dependency of the Administration's clinical services budget on projected third party reimbursements. As NIHB pointed out, over $62 million of the $70 million projected reimbursement total is committed for use in hospitals and clinics alone. IHS has informed us that at best it expects to collect $20–30 million in third party payments in FY 1983. This is, at minimum, $7 million below what the Committees and the Administration expected. It therefore seems ludicrous to place such critical health services at the mercy of speculative reimbursements. Beyond this concern, we would like to emphasize that the current funding levels for hospital and clinical services are falling far below the needs on our reservation. At present, the Fort Peck Service Unit is purportedly operating at the FY 1983 funding level, which simply cannot meet the largest percentage of our health care needs. And it is the opinion of our local staff that the proposed FY 1984 funding level will not solve our problems when inflation is calculated in. Our local health professionals are becoming more and more discouraged. We encourage the Select Committee to recommend to the appropriate committees a realistic funding level for clinical programs sufficient to return them to the pre FY 1980 level of services.

Contract health care: The Fort Peck Tribes are extremely concerned with the proposed budget for the Contract Health Care Program. Although the dollars for this program have increased by small amounts over the last three to five years, the fact remains that they have not even begun to keep pace with inflation. IHS itself estimates that the Contract Health Care Program has lost well over 25% of its service buying ability since FY 1981 alone. At Fort Peck, our Contract Health Care Program has been operating at a priority one level of services for the last year and one half. This has resulted in the establishment of longer and longer elective surgical waiting lists, which we are sure this Committee understands is not the way to provide health care. While we are very concerned with the lack of adequate dollars in the contract health care area, we are equally displeased with the IHS' answer to this problem: competitive bidding. The Fort Peck Reservation has two hospitals within its borders; Wolf Point and Poplar. These facilities are private community based hospitals which service each end of the reservation. Because a significant percentage of the patient loads of these facilities are composed of Indian people, both facilities depend heavily on IHS contract health care dollars to cover substantial portions of their operating costs. If the IHS is allowed to implement a competitive bidding process for contract health care contracts, we have no assurance that both Wolf Point and Poplar will be awarded these contracts. If either one of these facilities loses its IHS contract, will mean that a percentage of our people will have to drive over 50 miles for hospital related services. In addition, that facility's ability to remain open at all will be seriously jeopardized. Many Indian tribes strongly oppose the IHS plan for competitive bidding on contract heath care contracts. The plan is not well thought out and it does not enhance the provision of services. In many instances, patients are forced to drive considerable distance to receive service and ambulances must do the same. In addition, the proposal does not necessarily save any money. We ask the Committee to review the real needs of Indian people in the contract health care area and recommend in its report a substantial increase in the

IHS contract health care budget. We also ask that this Committee take whatever action is necessary to stop the IHS from implementing the competitive bidding process, which ia scheduled to begin in the Fort Peck area on April 1.

Preventative health: The Fort Peck Tribes most strongly oppose the Administration's proposal to zero out the CHR program. As numerous tribes and organizations have testified, the CHR program is the core of our outreach program. It is cost effective, it provides critically needed services, and IHS presently does not have the ability to pick up the most important aspects of this program in its operations budget. We know that IHS local and central office personnel recognize the need for this program and have appealed its proposed zeroing out to OMB for the last three budget years. We request that the Committee recommend to the proper House and Senate Committees that adequate funds be allocated to return it to its pre FY 1981 level.

As we have express in past years, the Tribal Council remains very concerned with the inadequate budgetary requests and the lack of emphasis which IHS places on alcoholism programs. Our Tribal Council recognizes that alcoholism is a disease which must be treated as a disease. Once again, the Administration is requesting inadequate funding for this program and as a result our alcoholism staff will be forced to cut back on services delivery. Numerous studies have pointed out that alcoholism is the number one cause of accidents, liver disease, and family problems in Indian communities. Increased appropriations for alcoholism programs will decrease costs in other health areas. We ask that the Select Committee include language in its report to this effect.

Indian health manpower: At a time when Indian preference in employment is a stated policy of the United States Government and the Indian Health Care Improvement Act stresses the need for an increased number of Indian health professionals, we again find that the Administration is once more proposing to cut health education scholarships. In FY 1983, it is estimated that the Billings Area will be faced with a 30% shortage in the number of doctors needed to properly serve the area. The shortage of nurses is even more severe. IHS recruitment sources for these and other health professionals are rapidly diminishing due to overall reductions in education and other health professional scholarship assistance programs. Indian students have very little health scholarship assistance available to them outside the IHS program and we have been informed that if current trends continue, IHS will have virtually no health professional resources to draw upon by 1987. We feel that the Congress and the Administration should join with the Tribes and take pride in the fact that an increasing number of Indian people are interested in health professional education programs. We commend the Congress for its past support of this program and the specific support for the Indians in Medicine Program. INMED provides financial and technical support in an environment where the student has constant moral support. We ask the Committee to recommend restoration of the $1.5 million cut in funding for the Indian Health Manpower Program and ask that report language be recommended assuring continued funding for the INMED Program.

Urban Indian health: We would also like to state for the record that the Fort Peck Tribes support the continued funding of the Urban Health Program. Not only do we realize that this program provides a critical service to our Tribal members living in urban areas, but we also realize that with the economy being what it is, a number of these urban based people will be forced to return to the reservation for health related services if the urban programs are forced to close. The Fort Peck Tribes support the provision of adequate health services to tribal members wherever they may be living and ask that restoration of full funding to the urban Indian health program be recommended.

IHS water and sewer: The Fort Peck Tribes join with numerous other Tribes in supporting the restoration of water and sewer dollars in the IHS budget. First, IHS has the authority to fund needed hookups in HUD, BIA and Tribally constructed housing units. Secondly, it has the equipment and expertise to handle these projects on reservations. Other Federal agencies such as HUD do not. HUD's new proposal to pay for water and sewer hookups is seriously undermined when they inform us that they will then contract with the IHS to do the actual work. This proposal will result in a duplication of administrative activities, add to the already excessive administrative costs, and obviously result in time delays and increased project costs. We feel that at least for the present time, IHS should continue to be the recipient agency for this service and ask that the Committee recommend the restoration of adequate dollars to the IHS budget for this purpose.

IHS construction: The Fort Peck Tribes are somewhat dismayed to see that the Indian Health Service is not requesting any money for construction of new hospitals and outpatient facilities. As you may know, the Wolf Point Outpatient Clinic is listed among the top three projects on the IHS outpatient construction priority list. If constructed, the Wolf Point Clinic would provide the only clinical services on the western side of our reservation. At the present time, many of our people must drive over 50 miles to receive clinical services. Construction of this facility will cut this distance down by over ⅔ for the tribal members living in the Wolf Point area. We ask that the Committee recommend a supplement in the FY 1984 IHS Construction budget, thereby providing monies for the planning and design of the Wolf Point facility.

I would now like to take a few moments to discuss the Title IV Program. The Fort Peck Tribes are very concerned with the proposed elimination of the Title IV Indian Education Program. We have four schools on our reservation: Poplar, Wolf Point, Brockton and Frazier. Each of these schools receives a substantial percentage of their operating costs from the Title IV Program. These schools also receive significant operational assistance from impact aid and some financial assistance from the Johnson O'Malley Program. They also receive a small amount of state funding. As you may be aware, appropriations for impact aid are rapidly going down and Johnson O'Malley Program dollar are far from adequate to cover current costs. These factors make the Title IV contribution even more critical. The Fort Peck Tribal Council takes the position that the education of our children is a first priority and we request that this Committee assist us by including in its report a recommendation which advocates restoring full funding to the Title IV program.

I will briefly discuss our concerns with the proposed FY 1984 budget for the BIA.

BIA education: As I just stated, the Fort Peck Tribes feel that the current funding levels for the Johnson O'Malley Program are inadequate. We have requested the appropriate committees include additional dollars for this program. Another important concern is the proposed cuts in higher education and graduate level scholarship programs. Costs related to higher education are rising rapidly and a substantial increase, not a decrease, is required in both scholarship programs. In the area of graduate level scholarship programs, Fort Peck strongly supports the Indian programs at Montana State University. While this program is seriously underfunded, it has been highly successful in assisting Indian students from Montana Tribes. We wish the Committee to recommend that adequate funds be provided for its continuation. In addition, we would like to state for the record that we strongly support the efforts made by the Tribally Controlled Community Colleges to ensure that adequate finances become available to both continue and expand their current level of activities.

BIA trust responsibility programs: The Fort Peck Tribal Council is concerned with the inadequate level of funding being proposed for the BIA Indian Rights Protection Program. The BIA justifies its existence on the basis of its trust responsibility, yet the FY 1984 budget is far from attuned to the real rights protection needs of Indian tribes. For example, Fort Peck is one of a number of tribes which has requested financial assistance for litigation and negotiations to safeguard our water rights. To date, our application remains unapproved. In addition to this problem we are also concerned with the BIA's failure to request adequate monies for the Statute of Limitations Project. In reality, the bulk of work on this program will be taking place in FY 1984 and we ask that the Select Committee propose that the House and Senate Appropriations Committees review, in a realistic way, the actual and projected needs in this and all other Indian Rights Protection programs and provide sufficient funds to cover these needs.

BIA irrigation: The Fort Peck Tribes are concerned that the budget of the BIA's Irrigation Maintenance Repairs Program has remained stagnant, while both labor and materials costs are rising. The Fort Peck Irrigation Project, located in the western portion of our reservation, is in need of additional dollars if adequate maintenance is to be provided. We are also concerned with large proposed cuts in the BIA's Irrigation Construction budget for new and expanded projects. This is a critical time for Indian agriculture. Water rights are being litigated, and an effective irrigation program for our reservation is essential for improved yields and economic development. We ask the Committee to review the actual needs in this area and recommend that sufficient dollars be appropriated for these two water related programs.

BIA land acquisition: It is again disheartening to see that the BIA is once again requesting no monies for its Land Acquisition Program. While this program has its problems, the fact remains that the percentage of Indian land ownership on our reservation is decreasing, primarily due to the allotment, fractionated heirship and forced fee sale problems. Similar situations exist on many other reservations. The Fort Peck Tribes feel that Indian tribes must be provided with a viable mechanism for purchasing non-Indian owned land within the boundaries of the reservation when those lands are placed on the market. We ask the Committee to recommend exploration of the options for a program of this type, in consultation with tribes, and to recommend the funding of a realistic and workable tribal land repurchase program.

Housing: Mr. Chairman, there are two other issues which I would like to touch upon at this time. The first, the HUD housing problem, has been peripherally discussed during my statement outlining the problems with the IHS Water and Sewer budget. HUD, if it is to be in the business of building houses, should build houses. If it contracts out significant portions of that responsibility, it should not be in the business of building houses.

There are, at present, several different solutions being proposed. Both the Administration and members of the House and Senate have prepared legislative proposals which are to be introduced in the near future. The Fort Peck Tribes strongly support the concept of an adequately funded, efficiently administered program, established in consultation with tribes, to alleviate the current problems in Indian housing. Nothing less will suffice.

ANA: Finally, I would like to state for the record that the Fort Peck Tribes strongly support the current activities of the Administration for Native Americans (ANA), Department of Health and Human Services, as it now functions.

ANA is providing essential, critical, and successful assistance to American Indians as mandated by the Native Americans Program Act of 1974. Priority areas are the development of programs which coordinate economic and social development for individual Indians and Indian tribes. Grantees are encouraged to develop their human and natural resources in a balanced atmosphere which fosters both self-sufficiency and self-determination. As the only Federal program which provides assistance to all Native Americans, ANA provides help in planning and implementing for locally determines social and economic development priorities.

At ANA, administrative costs are paid by a separate budget line item. Program appropriations are spent to fund projects. ANA personnel are well versed with the program, its grantees, and project selection criteria. We strongly advocate increased appropriations for ANA to allow it to continue these vital services. We request that the Committee recommend the same in its report.

Thank you for this opportunity to testify. I would be happy to answer any questions you might have.

Senator MELCHER. Thank you very much. That was a very comprehensive statement.

Mr. DuMontier.

STATEMENT OF GREG B. DuMONTIER, DIRECTOR, TRIBAL HEALTH DEPARTMENT, CONFEDERATED SALISH AND KOOTENAI TRIBES OF THE FLATHEAD RESERVATION, ST. IGNATIUS, MONT.

Mr. DUMONTIER. Thank you Senator. I have some written testimony that I would like to submit for the record and just briefly summarize it right now, if I may.

Senator MELCHER. Without objection, a copy of your prepared testimony will be inserted in the record following your oral testimony.

Mr. DUMONTIER. It is a farily complex issue dealing with contract medical care on the Flathead Reservation.

I should point out that is our only source of health care on the reservation. We have no Indian Health Service hospitals or physicians. So, all of our health care of that type comes through the contracts care program.

Approximately 1 year ago, the Indian Health Service was handed down instructions from the Health Services Administration to look at the implementation of competitive bidding on all its contractual arrangements for health care.

That, of course, has some very far reaching impacts on our reservations since all of our health care is coming through contract health services.

We approached them at that time, and indicated to them that we did not feel that competitive bidding was going to be a proper route given the uniqueness of our situation on the reservation, and were successful through the efforts of this committee and serveral other people to have competivite bidding basically put on hold until just recently. We were informed about 2 weeks ago that the Indian Health Service would indeed implement competitive bidding somewhere around the first part of April.

During this past year, the primary justification for delaying competitive bidding was to provide our tribes the opportunity to meet with local physicians in hospitals and see just what those impacts would be and explore some alternatives to competitive bidding that would provide the same answers, I guess, to some of the cost containment problems that the Indian Health Service is experiencing through contract health care.

Our efforts in meeting with providers on the reservation were successful in that we have come up with what we call the tribal preferred provider organization [PPO] which we would like to implement in lieu of competitive bidding.

Basically what that system or the new approach that we are trying, the primary purpose for it are to implement a health care delivery system which incorporates a coordinated team approach structured to address and respond to consumer and provider issues.

The team approach that we are talking about is basically made up of the physicians, hospitals, and tribal membership. It should be noted that neither the existing Indian Health Service contract care mechanism nor competitive bidding provides for that type of an arrangement where we have the providers and the tribes sitting down and talking about issues that affect both of them.

The second reason for the PPO is to implement a system which describes the cost control rather than cost shifting. The existing system in contract care costs the Indian Health Service approximately 15 percent of their inpatient budget due to cost shifts of coming over from medicare and medicaid. That is due to the high utilization, I guess, of medicare and medicaid and also the Indian patient within the reservation hospitals.

There are very few other payers to pick up the shifted costs from medicare and medicaid. Consequently, it ends up with the Indian Health Service. Competitive bidding would only make that situation worse.

There are only so many dollars available, and by decreasing those costs there are more costs that are going to need to be shifted to a smaller group of the population. Consequently, the rates go up, and we are about right back to where we would start in competitive bidding as far as it being a cost-containment measure.

Because of cost shifting, competitive bidding simply will not work within a reservation area.

I guess the biggest benefit in having a PRO is more long term in that implementation of this type of a system would provide for local control of health care, funding benefit determination, and health care planning.

Basically what we are saying in that, after meeting with the hospitals and physicians for the last year, is between the tribe, hospitals, and physicians we can handle the health care problems much better than what the Indian Health Service is currently doing.

That is not just to get away from competitive bidding, but the negotiations that we have had in the past year have shed a lot of light on some problems that can be corrected fairly easily were we to have the control of the Federal dollars coming into the reservation. I am only talking about Indian Health Service dollars.

As we all know, there are medicare and medicaid regulations. Looking at perspective reimbursement or perhaps some form of that come October 1 of fiscal year 1984, it is going to have a dramatic effect on hospitals which have heavy utilization under those.

The PRO approach puts us in line with that. We can absorb the impacts that would be coming down to that much better than we could if we were sitting with whatever we would have left of a health care delivery system after competitive bidding was being implemented.

I think rather than go on and get into the mechanics of a preferred provider organization, I will ask if you have any questions about the approach that we have in lieu of competitive bidding.

We, of course, want competitive bidding to be stopped, and we are proposing an alternative in its place.

Senator MELCHER. Does that conclude your testimony?

Mr. DUMONTIER. Yes, sir.

[The prepared statement follows:]

PREPARED STATEMENT OF GREG B. DUMONTIER, DIRECTOR, TRIBAL HEALTH DEPARTMENT, CONFEDERATED SALISH AND KOOTENAI TRIBES OF THE FLATHEAD RESERVATION, ST. IGNATIUS, MONT.

Mr. Chairman and Members of the Committee, on behalf of the Confederated Salish and Kootenai Tribes of the Flathead Reservation in western Montana I wish to convey our gratitude for the opportunity to discuss with the Committee issues surrounding the fiscal year 1984 Appropriations for the Indian Health Service. My name is Greg DuMontier and I am the Health Director for our Tribes. My testimony is being submitted within the health care system on our reservation hold great promise for resolving many long standing problems which have been obstructing the delivery of an appropriate level of health services to our people. The primary purpose of this testimony is to inform the Committee of our efforts and to request Congressional action through the fiscal year 1984 Appropriations process to secure funding for the establishment of a cooperative approach between our Tribes and the Federal Government throughout the planning and implementation of a new Tribally controlled health care delivery system.

In order to present our concepts and requests in the proper context the following background to our Tribal initiative is provided.

The Tribal Health Department was established in 1977 and charged with the responsibility to provide for a comprehensive health care delivery system for the Confederated Salish and Kootenai Tribes. In pursuit of its mission, the Tribal Health Department has been actively engaged in a series of negotiation and planning sessions with local hospitals and physicians to identify areas of common concern in the existing Indian Health Service Contract Medical Care program which is the sole mechanism employed by the Indian Health Service for the provision of out patient and hospitalization services to our Tribes. In more recent developments, the intent of the Indian Health Service to implement a competitive bidding procedure in health facilities has prompted a revitalization effort on the part of the Tribes and health care professionals to establish an alternative cost containment measure which would be more appropriate for the reservation area.

During the past year the Administrative component of the Tribal Health Department has focused the majority of its time and effort in reaching agreements and gaining the support of local physicians and hospitals for the design and implementation of a new type of contractual arrangement. On February 7, 1983 the Tribal Health Board adopted a letter of intent to contract via P.L. 93-638 the Contract

Medical Care program from the Indian Health Service and establish a Tribally controlled Preferred Provider Organization (PPO). This action was further supported by the Tribal Council of the Confederated Salish and Kootenai Tribes on February 11, 1983. On February 14, 1983 the letter of intent was signed and forwarded to the Indian Health Service to initiate the first phase of a process designed to place the Tribes in control of the health care being provided to their people.

A TRIBAL PPO

The need for change in the existing IHS Contract Medical Care program can best be demonstrated by examining briefly the major problems this mechanism creates for the beneficiaries as well the providers of care.

For the beneficiaries the program created have resulted in a steadily declining level of care that has reached the point where hospitalization benefits are now provided to only those patients whose life or limbs are in jeopardy. This means that health problems will not be taken care of until they progress to an emergency stage which subjects the Indian patient to trauma and requires a more costly remedy. Because this system is reactive instead of proactive, the scope of health care is likely to be further reduced through competitive bidding procedures by limiting access or availability of emergency service and by sacrificing quality care in attempts to reduce patient care expenditures.

From the providers standpoint, the existing IHS system creates severe payment restrictions limiting the treatment parameters which the providers must operate within. The shortage of IHS Contract Care funding is in part a direct function of the contractual mechanism used. Continuing decreases in Medicare and Medicaid reimbursements to reservation health facilities coupled with increased patient utilization under these government programs has resulted in the increased shifting of costs to the Indian Health Service. It is estimated that cost shifting during calendar year 1982 cost the IHS Contract Care program within our reservation area approximately 15 percent of its hospitalization budget. Competitive bidding would provide no relief from cost shifting and would in fact contribute to the problem by increasing the amount of dollars to be shifted. The net result would either be a reduction in service or an increase in costs.

Recent planning sessions conducted with physicians, hospitals, and Tribal officials have yeilded a consensus on the need to break away from the existing IHS system and establish a new Tribally controlled system which addresses the following purposes:

1. To implement a health care delivery system which incorporates a coordinated team approach structured to address and respond to consumer and provider issues. The team approach proposed includes representation from physicians, hospitals, and Tribal membership. It is important to note that neither the existing IHS system nor the IHS proposed competitive bidding system would provide for this type of cooperative approach to local health issues.
2. To implement a system which subscribes to cost control rather than cost shifting.
3. To implement a system which includes tangible benefits for the consumers (patients), the plan sponsor (Tribe), and the providers (physicians and hospitals). It must be recognized that the Tribe and the providers share an interdependent relationship in that the Tribe relies on the local providers for health care, and the local providers rely on the Tribe for patient revenues to continue existence.
4. To implement a system which provides for local control of health care funding, benefit determination, and health care planning.

In order to fulfill the purposes as previously described it is our Tribal intent to contract the IHS Contract Medical Care program and establish a Tribally controlled Preferred Provider Organization (PPO) as an alternative delivery system.

While it is not the intent of this testimony to get into the mechanics of a PPO, information pertaining to our proposed concept is offered in order to place our requests before this Committee in the proper context.

The PPO approach will require a significant change in the role of the Indian Health Service within our reservation area. The Contract Medical Care program we propose to contract for under the provisions of P.L. 93-638 has a budget of approximately 3.5 million which comprises 80 percent of the total Service Unit budget. While the provisions of the Indian Self-Determination Act allow for an orderly transfer of health programs from the Indian Health Service to the Tribes, the same cannot be said for the transfer of administrative functions. Most of the administrative functions for the Service Unit are provided by staff and funding in the Billings Area Office. Although we can contract the Contract Medical Care program funding at the Service Unit level, we cannot contract the IHS Contract Care administrative funding because most of it is in the Billings Area office which places it beyond our contractable arena. There are 6 administrative positions including clerical at the Service Unit level. There are 140 administrative positions in the Billings Area Office which administers 8 different Service Units.

Rather than duplicate administrative functions by requesting additional appropriations, it is requested that the Appropriations Committee earmark $200,000 of the Billings Area Administrative budget for our Tribal Health Department for the administration of our Tribal PPO.

Another way of providing and orderly transfer of administrative functions from the Indian Health Service to the Tribes would be to combine the Tribal Management line item with the Program Management line item of the IHS budget. This would place nearly all administrative functions in one line item making its necessary for Tribes and the Indian Health Service to prioritize and coordinate IHS and Tribal management functions.

Although this PPO arrangement will provide some immediate benefits in terms of the buying power of the dollars currently available, it must be pointed out that we have the largest Indian population within the Billings area and also the largest unmet need. Indian Health Service figures show our population to be 5300 and unmet need computations are based on that figure. However, an actual count of the active patient files shows that services are being provided to 6,846 eligible Indians. Therefore, we respectfully request that the Committee provide an additional $1,000,000 to the Contract Care budget to compensate for the underestimated unmet need based on innacurate IHS population figures.

The PPO approach which we are proposing would be the first such arrangement within the Indian Health Service, the first within rural America, and the first within the State of Montana. We sincerely hope the Committe shares in our enthusiasm for this approach by opposing the competitive bidding procedure while favoring our requests. Thank you for your consideration.

Senator **Melcher**. Earl Old Person?

STATEMENT OF EARL OLD PERSON, CHAIRMAN, BLACKFEET INDIAN TRIBE, BROWNING, MONT., ACCOMPANIED BY WILLIAM VEEDER, LEGAL COUNSEL, BLACKFEET TRIBE, WASHINGTON, D.C.; AND GERALDINE GORDON, BROWNING, MONT.

Mr. **Old Person**. Thank you, Mr. Chairman. I have with me, to my right, William Veeder, our legal counsel, and Geraldine Gordon, a member of our board of resource program.

I have three items that I am concerned with. First of all we are concerned about our hospital that is in the making and money was appropriated in fiscal year 1983 in the amount of $6.7 million for the first phase funding.

We are requesting for the second phase funding $9.2 million. In short we have learned that the administration or the Office of the Secretary of Health and Human Services have plans to use this money to absorb some of the Indian Health budget items.

I feel that this has been in the making for quite some time. Since the money has been appropriated, I do not feel that we are the fault of any problems that the Health Service is having at this time. So, I think that our money should continue its funding and that we be able to use it.

Of course, education is something else that I think everybody is concerned with. We are certainly concerned with Indian education and the things of which it has been threatened. I think we need not have to elaborate in detail about the importance of Indian education for our Indian people and for everyone.

The main subject that I want to elaborate on at this time is this. As you know, in the past Congress, and even presently, has assisted the Indian tribes, especially in the Western States, with their

Indian water rights programs. They have funded for studies and inventory on their water rights and also to check out the potential water usage on their reservations.

The Blackfeet people are very concerned with this particular subject. I speak on behalf of some of my old-timers on the reservation that are very rightly concerned about this issue.

The Blackfeet people, through their director and through the people who work with our water resource program, have requested in fiscal year 1981-82, again in fiscal year 1982-83, for some funding so that they may use this to do their own study and to take an inventory of the kinds of needs that they have for their water resource program.

There was a study made before, and again presently. There is a move being made by the administration in letting a soil conservation study to be made on the Blackfeet Reservation and land reclassification.

This study has already been made, and we feel that this kind of study and this kind of money would be a waste of time and waste of money to conduct a similar kind of study.

Instead, I would strongly urge that this committee assist us in having a similar kind of funding given to the Blackfeet people for our water resource program so that we could use it for the kind of study that we would like and the kind of water development program that we want on the Blackfeet Reservation.

We have submitted a written statement for the record.

Senator MELCHER. Without objection, a copy of your prepared testimony will be insterted in the record at this point.

[The prepared statement follows:]

PREPARED STATEMENT OF EARL OLD PERSON, CHAIRMAN, BLACKFEET INDIAN TRIBE, BROWNING, MONT.

I am Earl Old Person, Chairman of the Blackfeet Indian Tribe, Browning, Montana. I greatly appreciate this opportunity to bring to the attention of this Committee matters of transcendent importance, both to the Blackfeet Tribe that I represent here and to all other Indian Tribes.

Congress has appropriated funds for the purpose of assisting Indian Tribes, especially Western Indian Tribes where water is life itself, to undertake studies to inventory their water rights, to ascertain potential water uses on their Reservations, and to conduct soil surveys and land classification studies to the end that the Tribe may proceed to the long-delayed development of their water resources. Without water development, the economy of Western Reservations stagnates, causing unemployment on the Reservations at an unconscionably and unacceptable high level.

The Blackfeet Indian Reservation has been blessed by the presence of virtually unlimited water resources. Those resources are, however, largely untapped insofar as my Tribe and its Members are concerned.

Major tributaries of the Missouri River arise upon, traverse, and border my Reservation. Those streams have their sources on the Eastern Slope of the Continental Divide, creating a tremendous potential for hydropower development. It is shocking for me to bring to this Committee's attention the undeniable fact that there is no hydro-development on my Reservation. The waste of potential wealth for my Tribe, by failing to develop the hydrocapacity so readily available, can only be explained by the intentional suppression by the officials of the Department of the Interior to restrict our economic development.

Conflicts of interest within the Department of the Interior are manifested on our Reservation by the presence of major components of the Milk River Federal Reclamation Project. Those components of that Project include Sherburne Dam and Reservoir, the St. Mary Canal, and other structures utilized by the Department of the Interior to divert away from my Reservation the waters of two principal streams within the Blackfeet Indian Reservation, the St. Mary and the Milk Rivers. By thus committing the waters of those two streams for non-Indian water development, there has been far-reaching adverse impact upon the economy of the Blackfeet Indian Tribe and its Members.

Our preliminary investigations conclusively demonstrate that the Tribe would greatly benefit by developing the hydropower potential at Sherburne Dam, on the St. Mary Canal, and elsewhere on the St. Mary and Milk Rivers, the waters of which in no way benefit my Tribe but, rather, have been committed by the Secretary of the Interior for the benefit of the Federal Reclamation Project.

Additionally, our investigations have revealed that there are at least 25 potential hydropower sites within the Blackfeet Indian Reservation which offer great promise for financial returns to the Tribe if those power sites could be properly studied, developed, and utilized.

Congress has appropriated substantial sums of money to assist Indian Tribes in water development. However, every attempt by the Blackfeet Tribe to obtain money from the Bureau of Indian Affairs to make the requisite studies of the water resources has been denied. In the fiscal year 1981-82, the Tribe had requested from the Bureau of Indian Affairs funds to conduct necessary investigations to develop its water resources potential. Rather than delivering funds to the Blackfeet Tribe, the Bureau of Indian Affairs, at the end of the fiscal year, permitted those funds to revert to the Treasury.

During that fiscal year 1982-83, the Tribe again requested funds to make studies of its water resources and the means pursuant to which those resources could be developed for the benefit of the Tribe. Repeating the disregard for my Tribe, the Bureau of Indian Affairs again permitted the funds available for those purposes to revert to the Treasury rather than to provide the funds requested by my Tribe.

Rather than assisting the Tribe to accomplish the studies required to develop its water resources, the Bureau of Indian Affairs adopted an incredible course of conduct. There had been prepared by the firm of Morrison-Maierle, Inc., Helena, Montana, comprehensive soil and land classification studies establishing the irrigable acreage upon which water could be beneficially applied within the Black Feet Reservation. Our experts had carefully reviewed the data prepared by Morrison-Maierle and found it acceptable in every regard. It will be highly suitable for use as evidence if my Tribe becomes involved in litigation.

Rather than utilizing the excellent material prepared by Morrison-Maierle, the Bureau of Indian Affairs entered into a contract to duplicate and restudy the irrigable lands within my Reservation and to make a separate determination as to the needs of my Tribe for water to irrigate its lands. That wasteful conduct shocks the conscience.

As members of this Committee are fully aware, the Blackfeet Tribe strenuously objected to the wasteful duplication of the soil and land classification studies prepared by Morrison-Maierle. Those studies were accepted and approved not only by my Tribe but likewise by the Bureau of Indian Affairs.

Particularly wrongful, in the view of the Tribe, were the efforts of the Bureau of Indian Affairs to undertake that wasteful study after repeated refusals by the Bureau of Indian Affairs to provide the Tribe with money to implement the studies made by Morrison-Maierle. Not only did the Bureau of Indian Affairs refuse to provide funds for the Tribe but it likewise permitted those funds again to revert to the Treasury to the Tribe's irreparable damage.

With the Tribe desperately in need of funding, the Bureau of Indian Affairs proceeded to enter into a contract to undertake the duplicative studies at a cost, I am advised, in excesss of one million dollars. There has never been an explanation made to my Tribe as to why the Bureau of Indian Affairs would undertake the wasteful duplication of studies already completed by Morrison-Maierle. As stated above, those studies have been approved, not only by my Tribe, but by the Bureau of Indian Affairs itself.

In my opinion the studied intention to prevent my Tribe from developing its water resources constitutes clear violation of the Secretary's responsibilities to my Tribe. The duplicative studies, I have been advised, were to be undertaken with the objective of reducing the water rights of the Blackfeet Tribe, demonstrating bad faith rather than honest endeavor for the Blackfeet Tribe.

I respectfully petition this Committee to schedule an Oversight Hearing with the objective of reviewing in detail the shameful course of conduct that I have reviewed above respecting the Bureau of Indian Affairs. I, likewise, petition this Committee to assist my Tribe in obtaining funding that is requisite to the end that we can undertake the development of our water resources and thus bring to my Reservation new jobs, new industries, and a new economic outlook.

Mr. OLD PERSON. I do want to ask Mr. Veeder and Geraldine Gordon to elaborate as to why we are asking for the kind of money that we are asking for and why we are asking that a soil conservation and land reclassification study not be made again. We are asking that that be delayed at this time.

I would like to ask Mr. Veeder to speak first.

Mr. VEEDER. Senator, one of the big problems confronting the Blackfeet Tribe today is that there is ongoing litigation involving all their water resources.

As their water lawyer, I have recommended to them that no consideration has been given whatsoever to the hydropower development on that reservation. We have a very sinister situation there. The Secretary of the Interior for the Nuclear Federation Project has come on that reservation, committed the waters of two of the major streams on that reservation, the Milk River and the St. Mary River, for use downstream.

It is our belief that if funds were provided we could develop a plan and put it within the law, a plan that would permit a physical solution which would markedly reduce the conflict that is ongoing.

We believe that if the tribe were permitted to develop the 25 power sites or some or those power sites on the reservation, it would bring them greatly needed money. It would greatly strengthen their economy, which is in a very precarious situation under the circumstances.

We believe that the approach that is now being taken by the Department of Justice and the Department of Interior to undertake another study is a study, we are advised, that has one objective, and that is to reduce the claims of the tribe.

We petition this committee to have an oversight hearing, let us review for this committee what the Bureau of Indian Affairs is undertaking to do and what the Department of Justice is undertaking to do, and permit us to present our plans for the development of water on the reservation, which I believe would greatly reduce the conflict that is ongoing, and I think it would be a great benefit not only for the Blackfeet but likewise for the State of Montana. There is tremendous power potential that has gone undeveloped on that reservation.

I thank you.

Ms. GORDON. My name is Geraldine Gordon, and I am the director of water resources on the Blackfeet Reservation. Part of my job is doing some planning for our water resources development.

I have to go back and give a little bit of run-down on how we started out in this. Earl asked me to submit a proposal for funding for planning on our water development. I did this in January 1981, and we were ignored, told that the money had to be used for more detailed studies because we were inlitigation, and that we could not see any development for 5 to 7 years. That was in 1981.

In the fall of 1981 they attempted to let a contract to an outside firm, and they would not contract to the tribe. We held that up by appealing to our Congressional people and this committee.

In 1982 we submitted another proposal. We have had four requests in for this money. Now it is up to the amount of $550,000 that we are requesting.

In the fall they attempted to let the contracts again, and we have held them up until just recently. They let the contracts in January. They awarded the contract to the CH2M Hill.

We are trying to keep them from releasing the money for this contract until we can get a congressional hearing on this to review all the problems that are involved.

What we are requesting here is that we get the money held up on the contract, have a Congressional hearing on this and let the contract to the tribe.

Thank you.

Senator MELCHER. Thank you. We have asked the Bureau of Indian Affairs to respond to a series of questions involving this matter. We expect them to get that to us in a couple of weeks, hopefully. We will share them with you and see what happens after that.

On the question of contracts for health services, I am at a loss at this time to know exactly what the Indian Health Service is proposing under their so-called competitive bidding on contracts for hospitals off reservations, non-IHS facilities. So, until we understand that thoroughly, exactly what they are talking about, I am not prepared to say what this committee should or should not do.

Yesterday in response to a question, Mr. Kelso said that they have great flexibility in administering competitive bidding and thought it would not be disadvantageous to Indian patients, either out-patients or patients who needed to be in the hospitals.

Well, I am not so sure. I do not want to condemn whatever they are suggesting if it seems to make some sense, but so far it has not made any sense to me.

When we fully understand exactly what they are talking about in flexibility on contracts and competitive bidding, then we can deal with that. We do not want it to be disadvantageous or put the patients at a disadvantage.

Then maybe the committee will be able to make a judgment on it. Until that time, I do not think we can make a judgment. Also, until that time, I do not expect them to be asking for any competitive bids.

Senator MELCHER. Staff, have they asked for any yet?

I am informed that they have waited because they are supposed to explain how this is going to work and why it would be a step forward. So far we have not been able to find out why it would be a step forward and why it would be helpful. However, they have taken a preliminary step and notified some hospitals that they are going to ask for bids.

We will work very deligently with the IHS people on this matter, both from the legal point of view and from the policy point of view. The legal point is whether or not they have satisifed the law under the Administrative Procedures Act. If this is a rulemaking procedure, then they have to do a lot more than they have done.

But, more importantly, I think we want to understand how this as a policy would be helpful for Indian patients.

I am skeptical myself, but we will work with them. We will ask for your response and your comments on anything they suggest because we do not want this to go off like so many proposals have in the past 2 years with pie-in-the-sky ideas. When you then get through it all, you find that they are trying to cut out some money. They are professing that they are not trying to cut money, that is, cutting money in terms of reducing services. If they can save some money, and if it is fair to the hospitals themselves, and if they actually do not put individual patients at a disadvantage, then I say, OK.

But, first comes the patient, and the, second comes the continuity and the integrity of the hospitals in the area. I do not think we can forget that, because if we lose them that is a vital part of the system. The Indian Health Service payments are a vital part of our hospitals in Montana and in other Western States. We have to keep that in mind. That is the second priority to the patients themselves.

Third comes the question about having a better way where we do not forego or sacrifice any of the elements of the first two priorities, then we can look at the third one. But so far we have not been satisified that they are going to be taking care of patients in as good a way or a better way.

Certainly we have some reservations and some doubts as to whether this might put some of our rural hospitals at a real disadvantage so that we might face either losing the hospital outright or losing some of the services of the hospital. That would be a terrible step backward.

We will work very closely with all of you and with anyone else from any other tribe because we want to be very cautious about this. We want your responses after they give us a full explanation as to what they mean exactly by flexibility and what they mean by maintaining the services.

I want to thank all of you very much for your testimony.

We will next call as witnesses Dr. Emery Johnson of IHS and Mr. Ron Froman of the National American Indian Housing Council.

Dr. Johnson, your past experience with IHS perhaps can lead to some better understanding for the committee in helping to make our judgments.

Please proceed.

STATEMENT OF DR. EMERY JOHNSON, FORMER DIRECTOR OF INDIAN HEALTH SERVICE, DEPARTMENT OF HEALTH AND HUMAN SERVICES

Dr. Johnson. Mr. Chairman, I would like to share with you two major concerns, and then we can proceed to your questions.

My concerns are primarily these. I have concerns about the extent of the Federal commitment to American Indians and Alaskan Natives and to their health programs in specific. We have substantial legislation that appears to me to be clear and unambiguous, and yet when we see the tangible actions of the Federal Government, it seems to me that the vigor is in their words and not their actions.

The administrations—and this includes both Republican and Democratic as far back as I go—have almost always provided to the Congress budget requests which fall far short of even permitting continuation of the current level of service into the succeeding fiscal years, let alone lead to the kinds of improvements that the Congress has clearly defined as necessary.

Fortunately, the Congress has taken a much more serious view of their responsibility. The Presidents' budgets have always been increased and improved, in my judgment, but we still find ourselves—you have heard this this morning—with a continual erosion of the ability of the Indian Health Service and those tribal health programs that it supports to maintain current levels of service.

To give you a specific example, the President's budget before you now suggests an increase in contract health services of about 6.6 percent. I call to your attention that the inflationary cost of medical care in the private sector this past year was 13.6 percent.

I would suggest to you that the OMB and the administration is continuing in 1984 as they did in 1983 and in almost all of the preceding years of grossly underestimating the cost of doing business in the private medical sector. This has nothing to do with the Indian Health Service as an organization, but it has to do with the inability as a nation to come to grips with health care costs.

I would suggest to you that it is not fair for the only group to have to suffer under these restrictive cost-containment measures to be Indians and Alaskan Natives.

We do not do this for medicare, medicaid, or other insurance programs, or other Federal programs, so why should we levy this kind of a burden on the Indian community?

My second area of concern has to do with the ability of the Indian Health Service to manage what is a very complex health and tribal development activity. The basic cause for this problem, in my judgment at least, is the low status provided to the Indian Health Service within the Department of Health and Human Services, a low status shown not only by its low organizational level but by the low attention that is given to it.

As a result, decisions are frequently made at the Department level which are contrary to the best interests of Indian and Alaskan Native people, and there is a lack of understanding at the departmental level that the Indian Health Service must deliver real health services to real people in the real world. We are not a money-changing operation, as is true of so much of the Department.

Decisions that are made, personnel freezes, ceilings, inordinate amounts of review and review, simply do not permit the Indian Health Service to manage.

I will give you one specific example, and I could give many. One of the major problems that we have is in management of this contract health service program. You have heard that discussed by the Montana witnesses. The Indian Health Service recognized over 10 years ago the need for automated management of that program. To date, we still have not been able to put that in place. We have had review after review, and revision, and redesign. At one time the higher authority within these multiple layers in the Department said that it was such a great idea to have Indian Health Service so why not include a division of hospitals? That was then moribund and is now decreased.

That cost us another 2 years of trying to design something that would fit that big-city kind of operation. The botton line, Mr. Chairman, is that the Indian Health Service still does not have the managemeent tools in its hands to permit it to manage as effectively and efficiently as it can that $130 million program.

Based on this, I would like to respectfully recommend to the Congress that you do a couple of things. First, I think a very thorough review ought to be made of the current fiscal year 1983 budget under which the Indian Health Service is operating because I think you are going to find that it is going to be impossible for them to maintain even the current level of services with the budget that is before you.

The idea of taking the Blackfeet construction money and use that to offset costs, I think is unacceptable. The Blackfeet have waited for 15 years to get to this point. That is not the way to resolve it. Certainly, we are going to have to spread out some construction. We can not move at the pace we would like to with the current budgetary concerns, but to eliminate the replacement of unsafe and inadequate facilities is something which simply should not be permitted.

An immediate review of the 1984 budget which is before you, again, with the same intent to make sure that the current levels of services can be provided and that new facilities can be operated in the way they were intended, I think is absolutely essential.

The second point is this, in the budget process it seems to me that language must be placed in the legislation which requires the Department to carry out the intent of Congress. To continually have to deal with freezes, ceilings, and all these things, even though the committee each has attempted to eliminate this kind of interfearence, is still going on. It is going to take a very concerned effort on the part of Congress to be sure that the Department does not frustrate your intent by the bureaucratic rules and regulations and edicts that they lay upon the Indian Health Service.

For the longer term, I would like to suggest that the Congress is going to have to come to grips with the scope and the dimensions of the health commitment to American Indians. It may come to the point where you are going to have to look at defining an enrolled population and defining a benefit package which can be supported for that population. If that were done, you would in fact be able to have a more realistic mechanism for determining the Indian Health Service budgets, and both the Congress and the tribes would better understand the nature and the extent of this commitment.

Finally, I would suggest that the Indian Health Service should, be statute, be raised to the Assistant Secretary level within the Department of Health and Human Services in the same way that the Indian programs over in the Department of the Interior have been elevated.

Not only would that eliminate the multiple layers within the Department, but at one time I counted 38 different people who were reviewing our budget between my office and the Secretary.

Senator **Melcher**. Did they all cut it? Did they all cut it at every layer?

Dr. **Johnson**. No, there is just a limited amount that you can cut, but I would really question, Mr. Chairman, the contribution that is a great many of those people were making to it. Certainly the translation of Indian needs, by the time it gets to the Secretary, has been very much compromised when you go through these multiple layers within the bureaucracy.

Senator **Melcher**. I wish the Office of Management and Budget would cut a few of those layers. They cost a lot of money. Those are all pretty highly paid employees; are they not?

Dr. **Johnson**. They certainly are. They, in my judgment, contribute very little to the effective operation of the Department.

Senator **Melcher**. A kind term would be to call them tinkerers, and a realistic term would be to call them deliberate interferers with the bureaucratic tendency to protect themselves and their own little corner of whatever little turf they have.

Dr. **Johnson**. You are absolutely correct.

I can assure you that the Director of the Indian Health Service, whoever he may be, is constantly struggling to defend the program's integrity against these efforts by people who either know nothing about the concerns of Indian people or who care less in order to maintain the service level.

The bottom line here, as you know, is that the health of Indian people is what is important. Much has been accomplished, and let us not deny that, but I fear that unless we take some aggressive, remedial action now, that much of this investment that we have made over these past years is in fact going to be lost.

I would suggest to you that to recapture this loss is going to be a lot more expensive and a lot more time consuming, and the human misery is going to be much greater than if we deal forthrightly with the problems as they stand right today. With that, Mr. Chairman, I would be glad to respond to any questions you may have.

Senator **Melcher**. Can we make a good case that there are too many bureaucratic layers within the Department and that they inhibit the Indian Health Service's ability to respond promptly to the need for emergency decisions?

Dr. **Johnson**. There is no question about that. We could give you example after example through the years. Some of them are unbelievable.

Senator **Melcher**. Is that right?

Dr. **Johnson**. Yes.

Let me just give you one from Montana. I am sorry Caleb Shields is not here. At one time we had a restriction handed down to us of 1,000 miles per vehicle per month so when the ambulance at Ft. Peck had gone 1,000 miles and was about half way through the month, then we were supposed to stop running it. I told the folks out there to use their heads, and we were in violation again of another edict.

But those are the kinds of things, Mr. Chairman, that go on constantly. People simply do not understand in these layers above us that we live in a real world 24 hours a day, 365 days a year and that people are hurting and need help. You cannot cover yourself with the bureaucratic excuses not to get the job done.

I had an executive officer once when I was the area director in Montana who used to say, "I have never seen a Government regulation yet that kept you from getting your job done." That is what I am talking about in terms of mechanism.

But those are not the kinds of convictions that it seems people have when they get to Washington and get into these large bureaucracies. They forgot what the purpose of the program is.

Senator **Melcher**. I note in your testimony that you said there was a favorable article in the Washington Post referring to the Indian health programs as a Federal program that worked.

There may be some truth to that, but there sure are a lot of faults with it and a lot of blank spots.

I do not want to sound discouraged or pessimistic, and I do not think I will on this subject, but could we help it by upping the status of the Indian Health Service within the Department of HHS?

Dr. **Johnson**. I am convinced it would. First of all, you would avoid this dilution of the communications process. Don Smith, at the University of Minnesota, many years ago did a study of communications through five levels, and the conclusion was that at the end of the fifth level you had 100 percent of the story but only 20 percent of the story was true.

If you put that through 38 layers, then——

Senator **Melcher**. You come up with the 1 percent, and that would be the part that is true.

Dr. **Johnson**. Yes; and, I think the more of that you have the less likely you are to get the kind of sound and responsible decisions. I have found occasionally when we would get access to a secretary, which was quite rare, that you could get some good decisions. But the Director simply cannot spend all of his time trying to batten down these walls. That, unfortunately, is what is required. I think it is even worse now than when I was there.

Senator **Melcher**. Perhaps one of our greatest handicaps is that these layers above the Indian Health Service within the Department—and, do not get me wrong, Doctor Johnson, I do not think everything you had under you at the Indian Health Service was perfect either.

Dr. **Johnson**. I would quite agree with you.

Senator **Melcher**. I think there is plenty of bureaucracy at every level in Washington, including quite a few layers that could be either streamlined or minimized within the Indian Health Service itself.

I hope we see some progress on that, but in the Department itself above the Indian Health Service it seems to me that our greatest handicap almost overshadows everything else and that is that there is nobody who really knows about Indian health care or the delivery system for it. I am just not aware of anybody coming out of the Indian Health Service and becoming one of the assistant secretaries or the deputy or something like that. I do not think it has ever happened at HHS. Has it?

Dr. **Johnson**. Not to my recollection.

Senator **Melcher**. I think that is a grave handicap. Perhaps if we had upped the Indian Health Service to the assistant secretary level, then maybe we would eliminate some of the problems. I detect that you very much concur with that.

Could we say that it would save us money? I do not mean cut the budget, but save money in terms of health care delivery, in other words, get more bang for the buck and the dollar would go further.

Dr. **JOHNSON**. Certainly, because so much of the Director's time is now spent—it certainly was when I was the Director and I am sure it is even worse now—in fighting these layers so that you do not have the time to manage the system that you are supposed to manage. How in the world can you manage an Indian Health Service if you spend 80 percent of your time dealing with layers above you?

Senator **MELCHER**. I can not tell you how strongly I feel on that point. If you are going to practice medicine, and if you get into an administrative role where you have to make sure that those under you are practicing medicine, and if all they do is worry about the bureaucracy, then the practice of medicine is terribly diluted. That is the primary goal of the Indian Health Service. It is the overriding goal.

If everybody who is in a responsible position has to worry about the layers, then the bureaucracy certainly robs the effective practive of medicine from that point on. I should say that it cuts it down a high percentage.

Well, Dr. Johnson, I want to thank you very much for your testimony. It has been a real pleasure to have you here, and it has been a great help to have you here.

Before I leave—and I am going to have to leave shortly—I have asked Mr. Froman to be here because there are a couple of questions he can answer for me.

Mr. Froman, welcome.

Senator **MELCHER**. The first question, Mr. Froman, is this. Having had quite a bit of experience in Indian housing, is there not a method for an Indian owner of land which is trust land, that is, held in trust status, being able to get a mortgage through FHA and VA?

STATEMENT OF MR. RON FROMAN, TREASURER, NATIONAL AMERICAN INDIAN HOUSING COUNCIL, CARSON CITY, NEV.

Mr. **FROMAN**. That is correct. It has been for a long time. Let me put it to you this way. The ability to mortgage individual allotted land has been in place as long as FHA has been in place.

Basically it involves the trust status from the standpoint of the Department of the Interior approving that mortgage.

Senator **MELCHER**. Well, the people from HUD were telling us yesterday that for Indian housing they need a legislative correction of the law for an exemption for an Indian family; an Indian owner of land with trust status on a reservation in order to qualify for either FHA or VA Loans. Is that correct or not?

Mr. **FROMAN**. That is what they said, but there is conflict in their testimony because they also said that they had insured FHA mortgages and so forth on Navajo and in Oklahoma on trust land. So, if they did, they broke the law.

Senator **MELCHER**. Is it your experience that Indian owners on reservations on trust land have been able to get FHA or VA loans?

Mr. FROMAN. The answer to that question, sir, is "No". There is no legal impediment keeping that from happening.

Senator MELCHER. But the Secretary of the Interior has not approved it? Is that what you are saying?

Mr. FROMAN. No, sir. I am saying that there is no legal impediment regarding individually allotted land to the attainment of an FHA insured mortgage. But the practicality of it is that the lender will not lend it. There is nothing illegal that keeps it from happening, but what happens in these particular instances is that it goes into a foreclosure situation or into a default situation and then the lender, to initiate the FHA insurance, has got to get a default judgment, and it has got to be a court action. They are refusing so far—and to my knowledge, I do not know of any of them that have—to take those actions or to take those risks by virtue of having to go to tribal court.

Senator MELCHER. Would the default action be in tribal court?

Mr. FROMAN. That is correct.

The other nonsense in this business—I call it nonsense and I really do not want to get to talking about it and I probably am wrong in having done so—is that many people have told the Department of HUD that a program based on FHA insurance is unworkable. It is not just me. It is tribe after tribe. When they went through their interagency task force, the Indian Health Service told them the same thing. The Farmers Home Administration told them the same thing. The Department of the Interior told them the same thing.

It is a myth to say that you have got to change the law to make FHA work on trusts lands. They have been able to do it for years. Even the FHA underwriters and the HUD field staff and so forth have told the central office that it will not work.

Senator MELCHER. Just to make sure that this is not confusing in the record or to anybody hearing this, when you say FHA, you are referring to the Federal Housing Authority?

Mr. FROMAN. That is correct.

Senator MELCHER. And, when you say Farmers Home Administration, you are not referring to it as FHA?

Mr. FROMAN. The Farmers Home Administration also faces the same problem, sir.

Senator MELCHER. Let me ask you a question on that.

Can not the Farmers Home Administration make these loans without any impediment at all? They do not have to sell that paper to a local bank.

Mr. FROMAN. That is correct.

Senator MELCHER. Can they not sell it to one of the Government handlers of paper?

Mr. FROMAN. The Farmers Home can do the same thing.

Senator MELCHER. That is what I am talking about—the Farmers Home.

Mr. FROMAN. Yes, sir, they can do the same thing. They can carry the paper themselves or they can carry it to a local bank. But the truth of the matter is that the Farmers Home Administration is not making these loans either because they do not want to take the chance that they would get adverse decisions in tribal court. That is the crux of the problem.

Yesterday, Mr. Abrams——

Senator **Melcher**. Well, he was not giving us the whole story yesterday.

Mr. **Froman**. That is correct. He was not.

Senator **Melcher**. We could pass this legislation he has described and not accomplish one thing?

Mr. **Froman**. And he will not build any houses, Senator. That is what I am telling you.

Senator **Melcher**. Well, it is another step beyond that. Do you believe the first step that he was talking about is essential or necessary?

Mr. **Froman**. That is right; it is not necessary.

Senator **Melcher**. And the second step beyond that; that would have to be cleared up or there would not be any housing built under FHA, Farmers Home Administration, or VA?

Mr. **Froman**. That is correct.

You line them up. You asked a question the other day about how many houses have they built under FHA. We need to ask the question how many houses has the Farmers Home Administration built. We need to ask those same questions because they are pertinent to the whole nine yards.

There are many cruel things in this world, Senator, but one of the crueliest things that I think can be perpetrated on anybody is to take an Indian mother or an Indian father who has lived in a tarpaper shack and put the promise to him that you are going to build him a house and then you do not deliver.

In my judgment—and it certainly is my hope and my prayer—we are down to the end now. The answer to this is going to be in the Congress because the administration has drawn the line and has made these statements which will not work. The Indian people have told them that they will not work, as well as other people in the administration. But they have gone unheard.

I certainly hope that this Congress will not be a party to such cruelty, sir.

Senator **Melcher**. You know, this is just one aspect of it. If they could help out this way, if it would satisfy some Indian families, if they had the capability of qualifying, and if they could clear through VA or the Farmers Home Administration or FHA, then it would be welcome news to me. I would be delighted.

As for the other stuff that they are talking about, it seems to me that when you want the tribes to show some resources and some capability of picking up any default or in effect reselling the default, then that is fine for tribes which have quite a bit of money on hand; but it is impossible for tribes that do not have money.

I think what we are really talking about with Indian housing is trying to meet the greatest needs, and those greatest needs are going to be among tribes that do not have much money. It is ironic.

Mr. **Froman**. It is ironic. It is sad.

Senator **Melcher**. Yes; it is very sad.

Mr. **Froman**. But let me ask you this. If the tribes are on the insurance program where the FHA makes that loan hold and brings the default into place, then if in fact we have lenders that do this, you are paying a half a percentage point that goes into the FHA insurance fund to begin with.

Then why does HUD demand that the tribe make the FHA insurance fund whole? Nobody else in the country does it.

Senator **Melcher**. No; I do not think so.

Mr. **Froman**. That is right; they do not. So, why do we have to do it here? Because that is why you pay insurance.

Senator **Melcher**. Yes; that is the point of the whole program.

Mr. **Froman**. Sure, what is the sense of having an insurance program if that is what you are going to do. What you are doing is in fact making the banking industry have no risk. There is no risk for them. That is what you are attempting to do.

One of the ironic things in all of this is that when this all started it was said that we needed a new approach because the present program was too costly and too cumbersome and mismanaged. We have now come down to this point. If you look at their proposal, mathematics was taught the same in Montana as it was in Oklahoma, but they have a different mathematician over at HUD.

This program for 1,500 units is going to cost the Federal Government $508 million. Two thousand units of public housing last year is going to cost the Federal Government $362 million. Is that what we are doing?

We have a situation here where the Department is insisting that they drive the wagon. It is a turf fight between Interior and so forth as a result of Senate bill 2847 that was introduced and passed out of committee last session. That is what we have got here.

They do not give a damn if they drive that wagon—and I am talking about HUD—off into the Arkansas River as long as they are driving it. Anytime that they do this, they are talking about $508 million.

Senator **Melcher**. Why the Arkansas River?

Mr. **Froman**. Well, that is where I come from. It could be any river.

But, you know, one of the things we did with S. 2847, in working with the staff of the Senate select committee and some of the other people up on the Hill, is that we met the criteria that OMB put out as to what a new program should meet, and in doing so it was probably our undoing because they had a hidden agenda and that was not to spend any money.

Senator **Melcher**. The bill moved last year. It was not passed but it moved. Do you think that is now causing the Department of the Interior—I guess the BIA—and HUD to be fighting over turf?

Mr. **Froman**. No; the Interior Department is not fighting, sir. HUD is fighting.

Senator **Melcher**. HUD is fighting?

Mr. **Froman**. Yes. They are fighting this thing, and I am here for several reasons and that is to point out this. We are as sincere as we can be and we sincerely hope that the Senate select committee will reintroduce that bill. It is needed. If we do not, then Indian people will get lulled into a situation where we cannot in any shape, form, or manner, house our people who need it worse than anybody else in the country.

Senator **Melcher**. I think there is intent to try to move that bill. I think there is some foolishness—and I am going to say this just for myself—about Davis-Bacon. For my part this would be a program that will have Davis-Bacon in it. That is for my part. I am only speaking for myself. But I think there is some intention, both in the House and in the Senate, to move the bill.

Mr. **Froman**. Let me make one point on this. I realize this is getting off the subject theme of the bill. But in regard to Davis-Bacon, Senator, there is one specific section within the bill to which, when this comes up, Davis-Bacon should not apply and that is title III and that is the loan guaranty where an individual has to go out and borrow his own money, pay it all back without any subsidy from the Federal Government, and so he should not have to go through the requirements of a Davis-Bacon Act. Title I and title II would probably be acceptable.

Senator **Melcher**. Well, under the terms you describe where an individual arranges his own financing and contracts it out, how does that get into the program anyway?

Mr. **Froman**. Well, under the Davis-Bacon provisions——

Senator **Melcher**. I understand Davis-Bacon. If it is a Federal project over a certain amount, then Davis-Bacon applies; but what I am asking is this: If an individual borrows money and goes out and contracts the house for construction, then how does this come under the Indian housing program?

Mr. **Froman**. There are two things involved. This is not a peculiar situation from the standpoint of real estate mortgage on Indian trust land. It is not a peculiar situation that applies strictly to an FHA insured mortgage. It applies to any conventional mortgage. There is no one, outside of some Mafia lender, I guess, who would lend anybody any money because anytime they have got to go through the tribal courts to protect that loan, they will refuse.

Title III was the loan guaranty section, and that is that it made provisions for foreclosure, for default provisions, and so forth. That would enable a lender to go ahead and make those loans. It is a very unique situation in how it was drafted.

Senator **Melcher**. What you are really describing is that you would want the same application of Davis-Bacon and that it be consistent with the situation of an independent operation.

Mr. **Froman**. Correct.

Senator **Melcher**. I do not know how often that happens.

Mr. **Froman**. Well, when this thing comes up, I would like to see that the language in it——

Senator **Melcher**. How often does that happen? How many houses are built under title III? You are describing all of title III.

Mr. **Froman**. How many would be?

Senator **Melcher**. How many are?

Mr. **Froman**. There are none because title III is not law.

Senator **Melcher**. OK. Under the same circumstances, if title III were enacted into law, how many houses would be built that way?

Mr. **Froman**. Right now, I would think, just as an off-the-wall statement, that there would be great, great impetus specifically in the southwest part of Oklahoma, where we have had a large change in revenues and so on for some people, not all people because of oil and gas development on individually allotted land. Those people still cannot obtain a mortgage. Under title III, I think we would have quite a bit.

To answer your question in total, it will be roughly in the neighborhood of the pressures and groups that Mr. Abrams spoke of yesterday. In terms of numbers I would agree that those are the people who would do it. But they will not do it under FHA, I can tell you that.

Senator **Melcher**. I think what you have described is that if the circumstances were similar to a non-Indian getting an FHA loan or a VA loan and where there is no requirement for Davis-Bacon, then you would want the same criteria.

Mr. **Froman**. That is correct, sir.

Senator **Melcher**. That is being consistent.

I want to say this. When they are talking about $42,000 houses as being something that a family can utilize well, then we had better be extremely careful that we get—well, in my experience in Montana it is difficult sometimes to get quality work on a reservation even with Davis-Bacon. These programs are not job-training programs in the sense that you just turn a bunch of people loose on them to learn the craft. I think you would agree with me.

Mr. **Froman**. Yes.

Senator **Melcher**. We do have in or State some pretty good cooperation with the building trades in training programs on some of the reservations, and we would like to build on that because we have seen some results come of it, particularly off the northern Cheyenne Reservation and we are beginning to see some off the Crow Reservation. We would like to see that continue because learning a craft in the building trades does not come with a few months of experience, even diligent training. It comes with a lot more than that.

I do not want to see cobbled up Indian houses. That is not my idea of Indian housing programs being successful.

They are talking about $42,000, even $62,000. We had better be extremely careful on how those contracts are let and that they are let by very competent contractors, or we will not get much in the way of housing out of it.

Mr. **Froman**. I think if you have to go through $15,000 as a minimum of obtaining a $15,000 FHA insurance mortgage, then your fear of poor-quality construction is misplaced, sir, because there will not be any houses to be constructed.

They will give you a good answer. They are not going to do any shoddy construction because they are not going to do any at all.

Senator **Melcher**. There will not be any houses built.

Mr. **Froman**. Correct.

Senator **Melcher**. Well, I think you have more testimony. I am going to have to depart right now, but Timothy Woodcock will be taking over the hearing at this time.

I want to thank you for your testimony.

I would like to place in the record, at the conclusion of Mr. Froman's testimony, a very fine letter from the American Psychiatric Association dealing with the proposed cuts in urban Indian health programs. It is rather revealing that the American Psychiatric Association, representing 27,000 psychiatrists in the United States, is speaking out rather forcefully in support of maintaining urban Indian health programs.

[The letter follows:]

AMERICAN PSYCHIATRIC ASSOCIATION,
Washington, D.C., February 23, 1983.

Hon. JOHN MELCHER,
Select Committee on Indian Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR MELCHER: When the Select Committee on Indian Affairs meets this week to develop its recommendations to the Budget Committee on the programs within your legislative jurisdiction, the American Psychiatric Association, a medical specialty society representing over 27,000 psychiatrists nationwide, urges you to include report language supporting the continuation of adequate funding for Urban Indian Health Projects. As you know, the Program is currently funded at $6 million.

The Indian Health Service presently contracts with 37 urban Indian health organizations located in cities throughout the United States to make health services more accessible to the medically underserved urban Indian population. The wide range of services provided include mental health and alcoholism counseling for the many urban Indians desperately in need of high quality and appropriate medical care. The fiscal year 1984 budget proposes the elimination of the Urban Indian Health Program under the assumption that these non-reservation Indians will be eligible for services funded with alternative resources. It is our experience that neither state nor local governments are fiscally able or willing to assume this added responsibility.

The APA would be pleased to work with you further in this regard, and we ask for your support of the necessary report language.

Sincerely,

MELVIN SABSHIN, M.D.,
Medical Director.

Mr. WOODCOCK [acting chairman]. Mr. Froman, I would like to ask you a question that, in light of your testimony, may be of only academic interest at this point.

You earlier testified—and accurately so—that there already exists the authority for an individual Indian allottee to mortgage his land.

Mr. FROMAN. Correct.

Mr. WOODCOCK. Yesterday we heard testimony from the Department of Housing and Urban Development that stated that the Indian housing program that was going to be proposed was only going to apply to those areas where there was trust land. Consequently, the States of Alaska and Oklahoma were not to be included in the program. Now, let me ask you, based on your knowledge of Oklahoma, in your opinion is there any trust land in that State?

Mr. FROMAN. There certainly is. There is quite a bit of it. I think the total acreage under individual trust allotment is somewhere in the area of 2 million acres in the State.

The problem that you have when you come up to that type of thing is that you are going to use strictly on trust land and so forth. The Dawes Commission, when they allotted those Five Civilized Tribes, it was 160 acres to every individual Indian. That was in 1906.

That 160 acres may be in the deep bottom that floods every year. That 160 acres now may have 20 to 30 heirships involved in it.

All I can say about HUD is that their aptitude and their understanding of Indian issues and Indian land and trust land is lacking. They have never understood it. This is only exceeded by their aptitude for mathematics.

Mr. WOODCOCK. If the Department of Housing and Urban Development is correct, however—and let us proceed on that assumption—that the extension of the Federal housing authority programs to trust lands, which we understand are already legally able to be made on trust land, would it not follow that the Indian housing program that they are putting together should extend at least to Oklahoma because there is trust there?

Mr. **Froman**. This business of Oklahoma and Alaska surfaced in the development of their proposal. It began surfacing in the latter part of November and the first part of December of last year.

My understanding is that the bill as introduced now, and so they were specifically talking of excluding Alaska and specifically talking of excluding Oklahoma, so when they sent it over to OMB for their approval, they deleted Oklahoma specifically and included, that is, Alaska by definition was excluded. But they changed the definition on what they are going to do with tribes.

The 1974 Housing Community Development Act now reads that public housing funds shall be eligible for any band, tribe, pueblo, rancheria, et cetera recognized by the Federal Government.

The Department of Housing and Urban Development now, I assume, feels that, somehow or another, Oklahoma digressed in their education. They have now changed the rules. In the proposed amendment they want to change that law definition of a tribe, and that is that there is now a tribe recognized by the Federal Government exercising substantial governmental powers.

The public housing program got started in the Dakotas at the beginning in 1962 and 1963. When the General Counsel at HUD made a determination that those reservation tribes could organize a housing authority pursuant to tribal powers, you had that; but in Oklahoma, and those tribes there, as a result of various acts, specifically the Dawes Act and the Curtis Act, do not exercise judicial powers. So, the difference is that the Oklahoma Legislature, in their wisdom, passed the enabling act for public housing for Oklahoma, and then authorized the Indian tribes to form their own housing authority.

With the definition that they give you and which they have sent up to Capitol Hill and which came up here today, no, we would not. That determination was made in 1963 that we do not exercise substantial governmental powers.

Mr. **Woodcock**. We want to thank you, Mr. Froman, for your testimony.

Mr. **Froman**. Thank you.

Mr. **Woodcock**. Let me call up the next set of witnesses. We have Lionel Boyer, Kelsey Edmo, and Forrest Cuch.

Let me restate the purpose of these hearings which is to provide this committee with an overview of the proposed Federal budget for fiscal year 1984. Of most immediate concern to the Indian Affairs Committee is the information that we will be using as a result of these hearings to prepare our budget report under section 301-C of the Budget Act for the Senate Budget Committee. That report is due to be submitted on March first.

Let me invite you to summarize your prepared statements, if you will, and I will assure you that the full prepared statements will appear in the record as if read.

Mr. Boyer, please proceed.

STATEMENT OF MR. LIONEL BOYER, SHOSHONE-BANNOCK TRIBES, FORT HALL, IDAHO

Mr. BOYER. Thank you, Mr. Chairman.

I have in the place of Mr. Kelsey Edmo, Maxine Edmo who is the chairperson of the education committee for our tribe. Mr. Forrest Cuch is replacing Rudy Clements.

Mr. Chairman and members of the committee, my name is Lionel Boyer, the vice chairman of the Shoshone-Bannock Tribes. I appreciate the opportunity to come before you to seek your assistance in preserving and continuing vital programs and services to members of my tribe and other federally recognized tribes.

We are concerned that the trust responsibility of the Federal Government is slowly eroding and that the services guaranteed by treaties and agreements are being dismantled through the budget process.

Education has been mentioned by many tribes. This is a great concern to my tribe. On January 1983 President Reagan vetoed S. 2623, the Tribally Controlled Community College Assistance Act of 1978 and H.R. 7336, amendments of the Education Consolidation and Improvement Act of 1981, on the grounds that:

> It could establish a highly undesirable precedent for making all Indian social service programs a part of the Federal Government's very general trust responsibility.

Through this action, Mr. Chairman, and through his policy statement, the President has arbitrarily and abruptly limited and abridged the trust responsibility to the physical and financial resources of the tribes.

Mr. Chairman, the U.S. Constitution, U.S. Supreme Court decisions, treaties, Federal statutes, Executive orders, and Congressional declarations, such as contained in Public Law 93-638, the Indian Self-Determination Education Assistance Act, the Snyder Act of 1921, 25 U.S.C. Section 13, and Public Law 95-608, The Indian Child Welfare Act all affirm the principle that the Federal Government has both explicitly and implicitly acknowledged that there is a Federal trust responsibility to Indian education and social programing.

We are concerned about the program management and the reorganization of the Bureau of Indian Affairs. Our tribe is the tribe farthest from our area office, which is the Portland area, and our concern is that through the reorganization we will lose the only education specialist we have, along with his staff of one secretary.

At one time we had two education specialists. Now we will have to go out of State for assistance. They will not be coming to us.

We are concerned about a number of other items too lengthy to go into, but as a part of my written testimony I will just mention them: The Indian School Equalization Formula, title XI of Public Law 95-561. When this was passed, it phased out existing education programs funded under Public Law 93-638. We are especially concerned because we had programs under element 10 and element 14 of the Bureau of Indian Affairs' budget contracted.

Restoring Johnson O'Malley funds to tribal contract schools in fiscal year 1984 is another. We request funds for school board training. We request that all systematic closures of off-reservation boarding schools—elementary, secondary, and postsecondary—be stopped and that they be funded. We request that the funds for higher education be increased. We request that adult education funds be increased. We are concerned about the definition of an Indian, which is used so loosely, and that the definition in Public Law 93-638 and the Supreme Court *Martinez* decision be the method to determine eligibility for education services under Public Law 92-318, title IV.

We are concerned, as many before have mentioned, about the block grants systems. We prefer to have them come directly to the tribes and not through the States. We have enough problems with the States as it is.

In the area of health, we are concerned about many things. They are in my written testimony. One area that we are concerned about is the eligibility, the same as title IV.

We have received memos which make it very ambiguous as to who is to receive services. On the other hand, we have them coming out of the woodwork to receive services. Our reservation has an enrolled membership of 3,131 tribal members. Our clinic has a record of files for 14,000 patients with 5,000 to 7,000 that are active.

Our appropriations are for the 3,131 tribal membership that is enrolled there. So, consequently, we do not receive adequate services. We have been on "Priority One" for so long that no one goes in unless he or she is in critical condition or even near death. We need a new clinic for our people. The one we have is inadequate. We were on a schedule to receive a new clinic, but that was cut out. The need is still there. We need more doctors. We need more staff. We need more CHR's. They have become the backbone of our health systems on the reservations, as has been presented by many other tribes.

The few CHR's that we do have are overworked and frustrated, but they are determined to continue. We need funds for more of them. We need funds to support them.

We need our alcohol program. It has been functioning very positively since it was started. We need more funds to get more staff in that program.

We also need funds for our EMS program. Right now, they operate on a shoestring budget. We need more staff and proper facilities and equipment for the EMS program. I could go on with the needs of our tribe in reference to health.

Another area of our concerns is our detention facilities. They are inadequate. We do not have any detention facilities for youth, and we need support to provide programs and facilities for the youth.

We need support in our constant litigation with the States and/or groups in our efforts to maintain our existence as a tribe.

In reference to ANA, the ANA program should be reviewed with a larger percentage going to the reservation instead of the 80-20 that is presently being received.

We need support in the judicial area, our court systems, the areas of land-use planning, fish and wildlife, forestry, agriculture, economic development, and so on.

I might go on and on, Mr. Chairman, so I will request that the record remain open to receive further written testimony from our tribes.

Mr. **Woodcock**. The record will remain open for at leat 2 weeks. I want to thank you for your testimony.

Ms. Edmo, you may proceed.

STATEMENT OF MAXINE EDMO, CHAIRPERSON, SHOSHONE-BANNOCK TRIBES EDUCATION COMMITTEE, FORT HALL, IDAHO

Ms. **Edmo**. My name is Maxine Edmo. I am with the Tribal Education Committee from Fort Hall.

I just wanted to highlight several things that we are concerned about. One of the things is our tribal school at Fort Hall. This past year the only funding we received was the ISEP formula and nothing else: no JOM, no title IV-A. So, I just wanted to state that we need oversight hearings on title XI of 561, and mainly the ISEP formula. This is included in our prepared testimony.

Several years ago when the law was passed, they were supposed to have phased in other sections, or other parts to the law that have never been followed through on, and so we feel, for this reason, that oversight hearings are really needed on the ISEP formula, Johnson O'Malley, other sections of title XI that have never been phased in.

The policy section of title XI was passed at that time, and since then the Bureau has completely ignored that section of the law.

[Subsequent to the hearing the following quote was cited by Ms. Edmo:]

> The mission of the Bureau of Indian Affairs, Office of Indian Education programs, is to provide quality education opportunities from early childhood through life in accordance with the Tribes' needs for cultural and economic well-being in keeping with the wide diversity of Indian Tribes and Alaska Native villages as distinct cultural and governmental entities. The Bureau shall manifest consideration of the whole person, taking into account the spiritual, mental, physical and cultural aspects of the person within the family and Tribal of Alaska Native village contexts.—Federal Register, 9 October 1979.

Ms. **Edmo**. We feel that that needs to be implemented and phased back in with additional funds going to those programs, specifically those tribal schools that receive just the contract school money.

The contract schools were excluded from JOM, and we feel strongly that these funds should be restored to our contract schools.

As for school board training, it is scheduled to be phased out. We feel that that needs to be restored to the level of $5,000 per year per school board. Every year we have new members who serve on that committee.

The public schools receive 874, title IV-A, JOM, formula funds from the State, and yet our tribal schools just receive the ISEP formula.

The other concern we have is the boarding school. We feel that consultation has not taken place. Further efforts on the part of the Department of the Interior to close boarding schools will create serious problems for a large portion of Indian students.

Of the current Intermountain population, which is the boarding school nearest our reservation, 63 percent come directly from reservations. Fifty percent are from 4 or more years below grade level in academic achievement. Fifty-three percent require the intensive residential guidance program. Seventy-five percent come from unstable family home life. Fifty percent come from homes below the poverty level, and 51 percent of the students are from homes where the tribal language is predominant. Twelve percent are eligible for Public Law 94-142 handicapped programs.

So, these are the special needs areas that Intermountain offers, and we feel strongly that with the oversight hearings on title XI that these concerns will come out.

We understand that RIF notices for Intermountain will be coming out on March first. We need support of this committee in seeing that that does not happen. That is a priority need for tribes. We oppose all boarding-school closures, and we feel that the oversight hearings need to be held immediately

Mr. **Woodcock**. Let me clarify for the record at this point. The RIF notices that you are referring to are applied to the Intermountain school; is that correct?

Ms. **Edmo**. Yes.

Mr. **Woodcock**. Thank you.

Ms. **Edmo**. We are in support of the school board testimony from the Intermountain school, and we feel that the data which they have offered will support what we are saying also.

The other thing is Public Law 92-318 on the definition of Indian. Secretary of Education T. H. Bell in his December 29 letter to the Honorable Thomas O'Neill we feel has ignored the voice of the elected leaders of the federally recognized tribes and has recommended the retention of the present Indian definition. Our tribes support the authority of the federally recognized tribes to identify and serve their tribal members and to limit eligibility for Federal education services as a basis of the treaty obligations of the U.S. Government to those tribes. We call upon the U.S. Congress to institute 638, The Indian Self-Determination and Education Assistance Act, and the Supreme Court *Martinez* decision definition of Indian as the method of determining eligibility for education services under Public Law 92-318, title IV of the Indian Education Act.

We feel that our statistics were used to get that law passed, and yet there is no guaranty that we receive those funds at the reservation level.

So, this is why we are concerned about that law.

I guess that hits the highlights. Like I say, many other things are not included here about which we have concerns.

Mr. **Woodcock**. Before we ask any questions, let me invite Forrest Cuch to deliver his testimony.

STATEMENT OF FORREST S. CUCH, EDUCATION DIVISION HEAD, UTE INDIAN TRIBE, FORT DUCHESNE, UTAH

Mr. **Cuch**. Thank you, In the absence of Mr. Rudy Clements, I would like to present the written testimony of the Warm Springs Tribe for the record.

Mr. **Woodcock**. We will insert that in the record at this point.

[The prepared statement follows:]

PREPARED STATEMENT OF WARREN "RUDY" CLEMENTS OF THE CONFEDERATED TRIBES OF WARM SPRINGS OF OREGON

I am Warren "Rudy" Clements, Chairman of the Standing Committee on Education Issues of The Confederated Tribes of The Warm Springs Reservation of Oregon. We have given the Committee copies of our prepared testimony and our positions on a number of Indian education concerns that vitally affect our people and our tribes. With the understanding that these materials will be part of the Committee's official record, I will be brief.

In recent remarks to the National Congress of American Indians, Interior Secretary James Watt said: "To me, the most important issue is education." But what solutions does the President's budget request for Fiscal year 1984 put forth? How well does the budget translate the Administration's Indian policies and rhetoric into action? Unforunately, there are few solutions proposed; there is little support in the budget for better Indian education services. Let met address a few ways these deficiencies can be remedied.

First, Indian education is a trust responsibility which the Federal Government has pledged itself to support for our Confederated Tribes. The United States must remain committed in policy and practice to this principle.

Second, the Congress should maintain full appropriations for impact aid funds which serve Indian students. These funds, which are paid in lieu of local taxes, are critical to the survival of many school districts on or near Indian reservations.

Third, Congress should provide full appropriations for all elements of Title IV of the Indian Education Act. It is highly ironic that simultaneously with its shift of much Indian education responsibility onto the states, the Reagan budget propose to eliminate one of the principle vehicles that states rely on to meet the specific needs of Indian students.

Fourth, the Congress should either appropriate additional funds to the BIA for vocational education, or it should increase the Indian set-aside in the Vocational Education Act to two percent for distribution by the Department of Education.

Fifth, the Congress should continue its support of the efforts by Indian tribes and communities to assure that BIA boarding schools remain viable Indian education resources.

What we, as Indian parents and tribal governments, lack now is Federal support, both in policy and in appropriations, to enable us to chart the education services our students should receive. There is no cohensive policy coming from the Reagan Administration to guide Indian education.

There is now neither leadership nor advocacy for Indian education in either the Bureau of Indian Affairs or the Department of Education. The delivery of Indian education services is hindered by a lack of planning, by a lack of expertise, and often by a lack of interest.

Despite its rhetoric, the Reagan Administration offers little hope that the needs of Indian students for quality education will receive serious attention. It has set its course, and it intends to pursue—deaf to the concerns, dumb to the implications, and blind to the consequences.

Our Indian students, tribes, and communities deserve more than minimally adequate education opportunities. We ask your support for Indian education appropriations which will assist us in reaching beyond the narrow horizons permitted under the President's 1984 budget proposals.

Thank you.

Mr. CUCH. My name is Forrest Cuch. I am head of the education division for the Ute Indian Tribe of Utah. I have been authorized to present the following testimony on behalf of the Ute Indian Tribe.

The public school system has failed to provide quality education services to Ute students as verified by a comprehensive needs assessment conducted in 1978 by the National Indian Training and Research Center in Tempe, Ariz., which indicates that Ute students are 1.8 years behind non-Indian students in average academic achievement at the ninth-grade level. This is on our reservation.

The study also indicates that Ute students surveyed have remained at the same academic level of Ute students surveyed in a similar study conducted 20 years earlier in 1958.

Over the past 10-year period, 1970 to 1980, the dropout rate for Ute Indian students of grades 10 through 12 has averaged 36.5 percent in the public schools.

Another study conducted in 1980 by the Duchesne School District indicated that Ute Indian students were 3 or 4 years behind in average academic achievement at the senior high levels, 10th grade through 12th.

Approximately 60, or 35 percent, of the secondary Indian students, grades 9 through 12, attend off-reservation boarding schools. A survey conducted by the Ute Tribal Education Department in 1978 indicates that the primary reason for their attendance at these schools is that they cannot compete academically and socially in the public high schools.

Alternative education programs, specifically the off-reservation boarding schools are critical to Ute students' growth and development.

A comparative review of public school and boarding school student performance reveals that achievement and attendance are improving in the boarding school setting as a result of the remedial programs available at these schools.

For students and parents who make this choice we feel that Intermountain offers a second chance for these students at success and possibly the only last opportunity to improve their lives in view of the present attempts to limit educational opportunities at the reservation level.

Both county school districts serving Ute Indian children concentrate the use of compensatory education programs for the disadvantaged, chapters I and II, at the elementary grade levels. No remedial programs are thus made available to serve secondary level Indian students. The Ute Tribe adult basic education program, a possible alternative program for boarding school students, will discontinue operation effective June 30, 1983, as a result of the administration's attempt to eliminate appropriations for Title IV: Indian Education Act programs.

The proposed closure of the Intermountain Indian High School will adversely affect Ute students and their families. We believe that as a result of this closure the public school dropout rate will double; absentism, truancy, and juvenile delinquency will increase drastically on the reservation.

In short, the students attending Intermountain require special services. Such services, educational and social, are not available at the reservation level. Further, the BIA has not made provisions for alternative programs and services for these students at the local level.

The school personnel at Intermountain have always gone to extra lengths to provide quality educational services for Ute Indian students. The school merit system has been exceedingly effective in curbing incorrigible behavior. Again, Intermountain offers our students a second chance to improve their lives. Please do not deny them this opportunity. The former mayor of Brigham City, the Brigham City Council, the majority of the local Brigham City populace, the Intermountain staff, the Federal employees union, and the many Indian tribes—29 or more I believe—served by this school are joined together in requesting that you continue the operation of the Intermountain Indian High School for the benefit of all of our Indian youth.

Thank you.

Mr. WOODCOCK. Thank you. Mr. Cuch.

I have no questions at this point, but I will inquire of my colleague, Mr. Taylor, the general counsel of the committee.

Mr. TAYLOR. I just have a question or two.

In your testimony I did not hear you address the preschool program that has previously been funded by the Bureau and is now proposed for zeroing.

Ms. EDMO. Like I said, the policy section that was developed when title XI, 561 was passed stated that from early childhood to adulthood would be covered in education. We feel there is a need for that on reservations.

Presently, we do not have a preschool program. We applied for funding, but there is no guarantee that we will get it. So, I really feel that there is a need, and especially where our Indian language is predominant. We do have two languages on our reservation.

Mr. TAYLOR. Did you apply to the Bureau?

Ms. EDMO. No, we felt it was fruitless because in my testimony on the ISEP formula, there were 638 contracts prior to phasein of the ISEP formula. When those were phased in, all the education contracts were lumped into the ISEP formula. Everything else was phased out which did not fit into the boarding school criteria and the school criteria. So, this is why we say this. That needed to be clarified in our statement.

Mr. TAYLOR. Prior to the 638 contract, did the school receive any funds from either JOM or title IV?

Ms. EDMO. We applied under title IV, part B, and our school did receive that for 3 years.

Mr. TAYLOR. Was this before or after the contract?

Ms. EDMO. It was before the contract. Then we recently applied under part A, but we do not know if we will receive anything yet. There has been no word.

Mr. TAYLOR. If the administration proposal for fiscal year 1984 were to go through, I would not bother to file an application. I think the definition-of-Indian question would become moot since they intend to zero fund that program.

Ms. EDMO. Like I said, our needs are for preschool through adult education on our education needs.

Mr. TAYLOR. Ms. Edmo, you say that your school had received JOM and title IV, but in fiscal year 1983, did some tribal contracted schools receive JOM or title IV?

Ms. EDMO. No tribal contract school received JOM, that I know of. We were excluded from that.

I served on JOM Task Force No. 2. We held extensive hearings all over the country on that for entry into the JOM; that is, for imput on the JOM formula. We recommended that all Indian children who were eligible for BIA services be included for JOM moneys. I think tribes prefer JOM because there is a guaranty that we will receive the moneys at our level.

This is stated in our rationale for restoring JOM funds. We speak to that on page 3. It tells about the hearings that we held and our recommendations to the BIA for JOM funds to even boarding school students.

Mr. TAYLOR. You recommended a funding for school board training of $4,000 per year per school board. Do you know how many school boards there are?

Ms. EDMO. Not at this time. I just know that I serve on the one locally, and we do have need for that.

Mr. TAYLOR. This question is for Mr. Cuch.

We will be receiving additional testimony this afternoon on the Intermountain question; right?

Mr. CUCH. Yes.

Mr. WOODCOCK. Thank you very much for your testimony.

Mr. CUCH. Thank you.

Mr. WOODCOCK. Let me call up panel 3 with Elmer Savilla, Ron Andrade, Charles Helseth.

Gentleman, I appreciate your patience today. Mr. Savilla, why don't you proceed.

STATEMENT OF ELMER SAVILLA, EXECUTIVE DIRECTOR, NATIONAL TRIBAL CHAIRMEN'S ASSOCIATION, WASHINGTON, D.C., ACCOMPANIED BY PAT LOCKE, NTCA EDUCATION COMMITTEE, BOULDER, COLO.

Mr. SAVILLA. Thank you. My name is Elmer Savilla, executive director for the National Tribal Chairmen's Association.

We are here today to address some issues which the tribal chairmen consider to be extremely vital to the continuation of services to tribal members.

On those issues we are pleased to give our views. First of all, in the area of education the NTCA feels that the President's budget is a flagrant violation of the legal obligation to provide for the education of members of federally recognized tribes.

The President's policy statement which came out recently abruptly and arbitrarily limited the Federal trust responsibility to the physical and financial resources of tribes, so we think that he has ignored the special rights of tribes for this special service, namely education.

Subsection 5 of the Indian Child Welfare Act, for instance, among other documents, clearly spells out this responsibility. It says:

> There is no resource more vital to tribes and villages than young people, and the Federal Government has a direct interest as trustee in protecting Indian and Alaskan Native children, including their education.

Actually, we have despaired of getting the President's attention because in the last 2 years we have addressed this subject time and time again, and yet we find the education programs continually being cut. We want to specifically address the closure of schools.

There has been lots of testimony on it, so we will not dwell on it too much except to say that the NTCA is calling for the Bureau of Indian Affairs to cease their efforts to close those schools until all conditions are met.

The plans for Intermountain specifically—we happen to know that the student placement plan, for instance, which is to justify the closing this year is in error. The consultation with parents—the remarks from the Assistant Secretary are in error. So, based on their failures to carry out the instructions from the congressional committees, we think that they should not be allowed to close those schools at the end of the school year.

We would like to address the BIA education budget and also their operation of the OIEP, the Indian education programs. One of the things that is vitally needed there is a permanent director of that division. There has not been a permanent director for quite some time, and we were promised that this last November they would advertise for a new director. We have not seen the advertisement as yet. They have an acting director who has been on board, I think, 2 weeks next Monday.

Consequently, the program has suffered over the last 2 years without the permanent director. People, naturally, do not want to make important decisions, but the whole division of Indian education programs has suffered greatly. The staff itself was in great disarray and morale was at an alltime low just a year ago. It has not improved much yet. So, we call for that to be done.

We also want to request that the Congress recognize that the Bureau already has 27 Indian education policies on board which they have failed to implement. They were developed in 1979, I believe, and the staff there really does not know what those 27 policies say. They have not, consequently, carried them out, so they remain there to be used.

Unfortunately, with the reduced proposed budgets, those policies probably would not get much attention. We do request that the 1984 budget be increased sufficiently to meet the following major tribal education needs, over and above the existing budgets. These are listed in our testimony that we presented to you, but I will just run through them real quick: Tribal education departments, reservation teacher training, early childhood education, special education for handicapped, bilingual, bicultural education, the gifted and talented programs, graduate scholarship programs, and Johnson-O'Malley.

Two of those, I think, deserve special attention. One of them is the gifted and talented program. Of the thousands of Indian children in the country, I believe that there are only 36 children in the entire country who are identified by the Bureau as gifted and talented.

I think it is easy to say that they have obviously underestimated it. So, as for that program, we think it needs specific attention.

The Johnson-O'Malley program has received a lot of mismanagement, in our view. Recently, as you might know, the State of New Mexico, for at least the past 6 months, has had a row about the use of Johnson-O'Malley funds to pay for the school lunch program which the Department of Agriculture was anxious to get rid of. It seemed that nobody wanted it, and, consequently, there was not any money to pay for those school lunches. Two pots were dipped into for a time, Johnson O'Malley being one of them, which is strictly against the regulations, and then again the social services pot of money was tapped. But this was put to an end when the social services of the BIA complained about that. But that does need special attention.

The others are no less important, but altogether we would like to remind you of those programs that need extra funding.

We also want to endorse the higher education grant program of Mr. John Rayner of the American Indian Scholarship Services. That program has done a lot of good throughout Indian country for Indian students, and we would like to endorse his request.

We also want to call attention to the financial requirements of the 18 tribally controlled colleagues and the three postsecondary schools: Haskell, IAIA, and the Southwestern Indian Polytechnic Institute. These institutions graduated 823 students last year, and we think that they are very much needed in light of the proposed closures and we defer to the budget request of the American Indian Higher Education Consortium which has addressed that most properly in other testimony.

We do want to note that the President's budget for 1984 emphasizes a commitment to black colleges by an increase of $34 million or 17 percent, to a total institutional support of $231 million for black colleges while at the same time the Indian schools are getting the other end of the stick. We think that there is a great amount of unbalance there.

I would like to address the BIA boarding school closures. The tribes have been resisting those school closures for years, and I think that it should be done in a proper manner with consultation and a proper plan for student placement. There has been no consideration for the trauma that would be caused to the students by the transfers and also no preparation at home for the socioeducational problems that would be created.

So, we would like to capsulize our requests in education by calling for the ceasing of the closure plans, and also we would like to request that the Congress appropriate an amount of no less than $280,000 for the fiscal year 1984 to establish an all-Indian study commission to evaluate the conditions of American Indian education and to make programmatic and financial recommendations to the Congress for the future of our people.

We propose that the appropriation be made to the Interior Department's budget using the Public Law 93-638 contract process to the National Tribal Chairmen's Association.

Under title IV I would like to capsulize that also and say that NTCA requests that title IV be fully funded, but that the Congress amend the Indian Education Act to assure that eligibility for service is limited to those determined to be members of the federally recognized tribes in compliance with the Supreme Court's *Martinez* decision.

We further request that the Congress support the authority of the federally recognized tribes to identify and serve their tribal members in a manner of their own choosing wherever they may reside and to limit such eligibility for Federal educational services as the basis of the treaty obligations of the United States to those tribes. And, we will submit position paper to that effect which was adopted by the board of directors of the National Tribal Chairmen's Association.

Mr. WOODCOCK. The record will remain open to receive that document.

[The position paper follows:]

NATIONAL TRIBAL CHAIRMEN'S ASSOCIATION—INDIAN EDUCATION POSITION STATEMENT

The National Tribal Chairmen's Association (NTCA) perceives the following items to be of paramount concern in the area of Indian education:

President's Indian Policy Statement.—NTCA repudiates President Reagan's January 24, 1983 Indian Policy Statement where he states that the federal trust responsibility is limited to the physical and financial resources of the tribes.

The administration's budget directive for fiscal year 1985 detailed in Secretary Watt's April 5, 1983 Memorandum underscores the intent of President Reagan's arbitrary and wrongful limitation of the trust responsibility. This intent, according to the 3/24/83 Budget and Policy Guidance paper accompanying the memo is to: transfer all Alaska day schools to the state; close Concho, Intermountain and Mt. Edgecumbe Schools; transfer the operation of SIPI to a non-federal institution; and consolidate/closure of some Navajo boarding schools.

NTCA asserts that the federal government has an enduring trust responsibility toward education as well as for medical and social services to the tribes. This trust responsibility has been repeatedly affirmed by the U.S. Congress in numerous Public Laws. The BIA's fiscal year 1984 and 1985 education budget must reflect the federal government's education trust responsibility to the tribes.

Eligibility for Education Trust Services.—NTCA asserts that the trust responsibility toward education extends only to the federally recognized tribes and the individuals who meet tribally determined criteria for membership. The authority to determine who is an Indian for purposes of tribal membership and eligibility is an inherent and sovereign right of the tribes and may not be usurped by any state, organization or any level of government. This principal has been reaffirmed by the Supreme Court in the *Martinez* decision.

Such usurpation of tribal sovereign authority has occurred and continues to occur when federal Indian education dollars are expended for state recongnized Indians,self-identified Indians and other non-federally recognized Indians. These persons can become eligible for federal Indian education funds when their tribes have become recognized through the federal acknowledgement process [25 CFR Part 83; 5 USC 301]. Such acknowledgement will mean that the tribe is entitled to all other immunities and privileges available to other federally acknowledged Indian tribes by virtue of their status as Indian tribes.

NTCA recommends increased funding for the federal acknowledgement process.

NTCA demands that the federal government and its agencies and the states immediately cease their usurpation of tribal sovereign authority to determine who is an Indian for purposes of tribal membership and eligibility for trust education services.

The federally recognized tribes must receive first priority in their educational rights and requirements and funding must reflect those rights as a first priority.

NTCA requests that the GAO conduct an investigation of the total dollars expended in the past 10 years by the Department of Education, Department of Health and Human Services (ANA), Department of Labor, Department of Commerce and all other agencies to non-federally-recognized Indians.

BIA Proposed Minimum Academic Standards.—NTCA in it's role as defender/protector of Indian treaty rights and human rights of all members of the Indian Nations serves notice that the proposed Minimum Academic Standards for the Basic Education of Indian Children and National Criteria for Dormitory Situations are categorically rejected as unfeasible, unrealistic, unworkable, inconsistent and violative of the BIA Mission Statement and 27 Education Policies that are already in force and that have the full effect of the law.

Especially unacceptable is Subpart G 36.61 which states "the Assistant Secretary may reject a request for a waiver and/or the revised standards and such rejection shall be final and unreviewable." Tribal education codes and standards are within the scope of tribal sovereign and inherent powers.

There is no guarantee that any funds will be available to meet these proposed published requirements. We perceive these proposed standards are only a thinly-veiled process for eliminating boarding schools, dormitories and contract schools.

NTCA offers to assist in writing new rules for improved standards to be consistent with BIA's Education Mission Statement [25 CFR Part 32.3] and Policies [25 CFR

Part 32.4]. In addition, BIA must provide funds in fiscal years 1984 and 1985 budgets for tribes to develop their own education codes, policies and standards.

Future of BIA Boarding Schools.—NTCA strongly objects to the closure of *any* and *all* federal Indian boarding schools until all Indian children have adequate replacement education activities and youth care homes constructed in Indian country. All testimony from tribes to date is 100 percent against school closures. The fiscal year 1985 BIA school construction budget must reflect the total amount of money needed to replace the federal off-reservation boarding schools in Indian country. The post-secondary schools, Haskell, the Southwest Indian Polytechnic and the Institute of American Indian Arts which serve all of Indian country must remain open and fully funded in perpetuity.

Restructuring of Education Programs.—The Reagan administration policies and budget cuts threatens to destroy gains made by the tribes over the past ten years. The BIA is currently "realigning" and "restructing" area education offices and is withdrawing financial resources without the required prior consultation with the affected Indian tribes and is in defiance of the Congressional mandate to put a hold on any reorganization effort.

NTCA requests that the Congress investigate the above violations and cause Secretary Watt to cease all reorganization efforts, RIFs and the withdrawing of financial resources to the tribes.

Additionally, NTCA requests education oversight field hearings in locations on or near Indian country to be held by Congressman Yates and the Senate Select Committee on Indian Affairs.

Johnson O'Malley Funds.—The present administration policy concerning the Johnson O'Malley Act of 1934 is in direct opposition to the Indian tribes position toward providing maximum educational services for Indian children. The present distribution formula is definitely not equitable, since many states differ in the funding levels for state aid programs, thus we must be very careful in choosing the best formula to be used in distribution of funds for Indian students. The precedent established in 1979, whereby each Alaskan village corporation was determined to be an eligible tribal entity (one tribe, one vote rule), in establishing the voting requirement, is totally unacceptable and must be rescinded. Part 273.3 of the existing regulations must be revised in order to become more efficient and equitable in nature. This can be accomplished by simply dividing the total number of students into the annual appropriations and allocating these funds on a per capita basis.

The newly proposed 93-638 regulations failed to include JOM Basic Operational Support, because funds have only been requested for supplemental programs and tuition payments, due to the fact that appropriation language has restricted funding to these two programs.

We are strongly in opposition to the attempt to eliminate Basic Operational Support.—The JOM allocations should be increased to a level which would allow schools to keep pace with the increasing numbers of students. The JOM program is an extremely vital part of the educational services available to Indian children attending public schools in Indian country.

Early Childhood Education.—As stated in 25 CFR Part 32.2 Mission Statement, "the mission of the Bureau of Indian Affairs, OIEP, is to provide quality education opportunities from early childhood through life in accordance with the tribe's needs for cultural and economic well being in keeping with the wide diversity of Indian tribes and Alaskan Native villages as distinct cultural and governmental entities." Without consultation with Indian tribes, the BIA has arbitrarily and unilaterally eliminated early childhood education programs. NTCA demands that an early childhood budgetary line item be restored to the BIA's fiscal year 1984 budget and added in the fiscal year 1985 budget.

BIA Higher Education Scholarships.—The current administration policy for higher education for Indian students is in opposition to the real priorities and rights of the tribes. The BIA Central Office has recently been instructed by OMB to develop a loan program for higher education.

NTCA asserts that the BIA is acting illegally when it attempts to thwart the intent of the U.S. Congress in its appropriation of trust monies to the BIA for the benefit of higher education students as grants in aid and not as loans.

The BIA has a special trust responsibility to provide full higher education grants to students to continue their education and training beyond high school for the purposes of developing leadership, promotiong self-determination and increasing employment opportunities in professional and vocational fields.

Impact Aid—Public Law 81-874.—The Impact Act has been one of the major ways the federal government has partially met its treaty and trust obligations to Indian tribes. NTCA opposes and rejects the Reagan administration's attempt to cut or otherwise limit Impact Aid funds that affect 93,981 Indian students from 722 districts in 24 states.

NTCA requests that the Congress challenge the U.S. Department of Education's wrongful granting of authority to the states to "equalize" and count Impact Aid as a state contribution or share of the total budget for public schools in Indian country, which action severely reduces the amount of dollars available. The U.S. Department of Education must be required to cease this breach of the trust responsibility to the federally recognized tribes.

Mr. SAVILLA. As for the Indian Child Welfare Act grants, there is a proposal by the Bureau of Indian Affairs to decrease those grants, and this is a blatant disregard for Indian children in general. The decrease in funds would hurt not only on reservation people and children but it would also hurt many reservation-born children who for reasons beyond their own control were moved to urban or off-reservation communities. So, Mr. Chairman, that need for the Indian Child welfare grants has not diminished. Therefore, NTCA recommends that funding for that program be restored to at least the fiscal year 1983 level of $9.7 million.

As for social services and general assistance of the Bureau, they greatly underestimated the needs for 1984. In their justification they quote a figure of 64,969 for an estimated caseload of women and children. But already in fiscal year 1983, the first quarter, the general assistance caseload has reached 66,184—well over 2,000 cases in excess of their total estimates for fiscal year 1984. So, it is not very easy to see the reason for their figuring on a lower budget. We recommend that the proposed fiscal year 1984 decrease be denied and that general assistance grants be funded at least at the fiscal year 1983 level of $82.2 million.

As for economic development, fiscal year 1983 saw an economic development initiative which required 75-percent tribal matching resources, and the amount appropriated was $5 million. To date, no tribe has been able to take advantage of that because of the matching requirements. So, the program denies the use of guaranteed loans as part of the tribal matching percentage so, therefore, we feel that the program is doomed to failure. The amount of money is not enough. The heavy regulations are not conducive to tribal development.

In its place, we would recommend that the Indian Finance Act be restructured. In its entirety it was not a bad piece of legislation, but it was severely underfunded and there were not enough years given to it for real success.

As for the ANA transfer to BIA, NTCA strongly opposes the transfer. The program in itself—the SEDS concept as it was called in ANA—was one of the moving forces in community development for tribes. So, to eliminate it now at this time without a proper place in the Bureau or without proper management, let us say, would be a grave mistake, so NTCA goes on record as opposing that change. We ask the Congress to take every step possible to stop that transfer.

As for self-determination services, NTCA agrees with the BIA that their request for $9.81 million increase is needed. Yet, to meet the goals of both tribes and the administration for tribal takeover of full Governmental functions, training, and technical assistance must be provided funding immediately to tribes, particularly in the area of indirect cost rate or contract support.

There is a memorandum that went out from the Bureau of Indian Affairs on January 24 to area directors pointing out to them that the contract support for 1983 is cut by $5 million. If we are to believe all the nice rhetoric that is coming out of the administration and the Department that they are in favor of developing tribal governments, better management, tribal development and economic development there must be a change in that particular thing.

Also, the request by the Bureau for 25 additional staff for fiscal year 1984 for a proposed Public Law 638 oversight and cost determination staff is misdirected, we believe. The 25 extra staff that they are asking for should be utilized solely for implementing intensified technical assistance to tribes in capacity building, not in reinventing the wheel because there has been studies after studies about oversight and cost determination. In fact, just yesterday I first heard of an RFP that the BIA is letting for indirect cost study again. It is due today. I think the Indian Lawyers Training Group from Alberquerque did one last year. Before that, there was another one. NTCA was involved in another one. So, there has been enough done on that. So, rather than invent that historic wheel, they need to get on with the real work of it instead of using an additional 25 persons. They could be used in other more constructive ways for tribes.

I honestly am trying to be fast about this, Mr. Chairman.

As for trust responsibility, it is apparent to NTCA that the Department of the Interior as trustee is failing to manage that trust estate on behalf of tribes. The BIA, for instance, has consistently reduced its numbers of environmental impact statements and admits this in its justification.

We heard this morning from the Blackfeet tribe. This has been a longstanding thing. We support the call from Blackfeet for a hearing to investigate the Bureau's handling of their water project up there. We further request that those oversight hearings be held also regarding the total amounts of funding available for Indian water rights where those moneys are and how they are being used by the Department of the Interior. Their own justification language, I think, points out that they are ignoring some of those things that they are supposed to do.

As for minerals and mining, again we see that they are requesting funds for studies and technical assistance, but there are no specific mechanisms for tribes to be able to do the work in that particular area.

As for law enforcement, we would like to mention that we think there ought to be sufficient funds, not cuts, for law enforcement and tribal courts. The need for these particular things and others continually getting worse. So, rather than looking the other way, we think they ought to act immediately to strengthen tribal governments.

I would like to briefly mention housing. NTCA is adamantly opposed to the proposed HUD housing program which they recently introduced. We are instead in favor of the Indian Housing Act, as it was presented last year, which did not make it, and we will endorse it again. We hope that this committee would see fit to also endorse it again.

As for the Indian Health Service, so much good testimony has been given this morning that I will not dwell on it too long except to say that we do agree with Dr. Johnson's view and recommendations which are long overdue. Last year, the NTCA did adopt resolutions to present to HHS requests to elevate the Indian Health Service within the Department so that they would not be lost in the conglomeration of bureaucrats there. It was easy to see that there was mismanagement and misservice to the Indian people, so we believe it would be best if it were elevated to some position within the Secretary's office instad of where it is now.

I would like to request that we be allowed to submit to the committee within the next few days a document entitled "The Health Status of Native Americans," written by two Indian Health Service employees in 1982. It provides a great picture of the efforts and the improvements in Indian health that IHS made up to 1977 when downgrades in budget seemed to make a great negative impact.

I would like to submit that to you in the next couple of days.

Mr. Woodcock. That will be included in the record.

[The document follows. Testimony resumes on p. 381.]

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Health Status of Native Americans

To be presented at: American Public Health Association
Montreal, Canada
November, 1982

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I. PURPOSE

The Native American population is unique in that it is almost uniformly poor and isolated, and because the U. S. Government is by law responsible for its health care.

This paper explores the available data on the health status of the Native American Population, which includes American Indians, Aleuts, and Eskimos. The most recent data for morbidity, mortality, and access to care are presented in comparison to other United States racial and ethnic groups and historical trends.

II. THE FEDERAL-INDIAN RELATIONSHIP

What is a Native American?

Native Americans are not a single racial group. They are, instead, a collection of hundreds of different tribes, each with its own culture, history, religion and language. Historically and often legally, each tribe is a separate, sovereign nation. During the expansion westward, the U. S. Congress signed treaties with individual tribes. These "Federally recognized" tribes remain self-governing and maintain enrollment lists of their members. Enrollment in most tribes is limited to those persons who are 1/4 or more Indian.

The treaties established a trustee relationship between Congress and the tribes. In exchange for the vast amounts of land and the cessation of warfare, Congress, through Federal agencies, became responsible for the protection of Indian trust property and the provision of social, medical and educational services. In 1975, the trustee relationship was expanded via the Indian Self-Determination Act, which allowed the tribes to perform more services for their own people by directly contracting with the Federal government.

A second group of Indians are those who are not enrolled, but are recognized as Indians within their community. This group is composed primarily of descendents of Indian tribes once found in the Eastern United States. Many of these tribes did not sign treaties with Congress because they were disbanded before 1789 when the United States became a nation. Their descendants still reside in enclaves located throughout the East, where their communities still exist. Other non-enrolled Indians are those individuals who have 1/4 or more Indian blood, but who cannot produce the documentation to prove it. In addition, approximately 20% of Indians have no known tribal affiliation.

The term "Native American" encompasses both American Indians and the Native people of Alaska.1/ These include Eskimos, Aleuts and Alaskan Indians. Although no treaties were ever signed in Alaska, Alaskan native people are given the same rights and treatment as members of Federally-recognized tribes in the continential United States.

The Indian Health Service

The Department of Health and Human Services, through the Indian Health Service (IHS), is directly responsible for the health care of Native Americans. Although treaties guaranteed medical care for Indians, this consisted only of the sporadic services of U. S. Army

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1/ American Indians and Alaskan Natives constitute 96% and 4% of the Native American population, respectively.

doctors in frontier forts for the purposes of curbing epidemics among soldiers.

The Indian Health Service was created in 1954 to provide health care to Native Americans. It remains the major source of health care for these people. Services are provided through IHS service units which include 50 hospitals, 101 health centers and several hundred facilities located throughout Indian lands on or near reservations. The IHS contracts out with other facilities in areas where there are no IHS service units or for types of care which cannot be provided within these service units. Since IHS began, health care has improved dramatically for Native Americans. This is evidenced by the dramatic decline in mortality, both overall and for certain diseases. A further discussion of this will be presented later.

Not all Indians can receive services from IHS. Some live too far from an IHS service unit to make it practical. Other Indians, who do not belong to Federally recognized tribes, are not entitled to IHS services.

III. SOURCES OF THE DATA

Health data in this paper were obtained from two primary sources: the Indian Health Service and the National Center for Health Statistics (NCHS). Vital statistics, including natality and mortality, come from IHS for information on Native Americans and from NCHS publications for other races, as well as the entire United States. Native Americans who do not or cannot use IHS services are, thus, not represented by vital statistics from IHS. They are also not specifically detailed in U. S. vital statistics.

National vital statistics are compiled from birth and death certificates received from hundreds of jurisdictions throughout the country. Until 20 or so years ago, the only racial distinction made was between Whites and non-Whites. More recently, White, Black and "Other" categories have been used. Some jurisdictions report American Indians separately, but this is not yet a universal practice. Therefore, IHS data which are known to be incomplete are the only source of vital statistics on Native Americans. No attempts have been made to adjust the IHS figures for non-covered Indians. There do not exist enough data to even begin an attempt at imputation. However, since the IHS is the major source of health care for Native Americans, and births and severe illnesses are most often cared for in IHS hospitals, relative rates and trends over time from IHS data can provide reliable information.

Information on health care utilization, health status and coverage by other Federal health programs was obtained from unpublished reports of the Health Interview Survey (HIS) conducted by NCHS. The HIS has collected these data for years through a survey of the non-institutionalized U. S. population. In 1976, in order to refine racial categories, questions specifically identifying Native Americans and Hispanics were added. The HIS data in this paper come from the 1978 and 1979 surveys.

Demographic and socio-economic data were obtained from the U. S. Census and the AFDC Characteristics Survey conducted by the Social Security Administration. International comparisons were made using information furnished by the Canadian government and the World Health Organization.

Native Americans have been the subject of much scrutiny and research by anthropologists, physicians and social scientists. In the field of health, many separate areas, particularly alcoholism and infant mortality, have been formally explored. However, this paper is the first attempt to combine all of these data about the different aspects of health status and to compare it to that of other races.

IV. THE NATIVE AMERICAN POPULATION

Size and Regional Distribution

According, to the 1980 Census, Native Americans in the United States numbered 1,418,195. Included in this figure are 1,361,829 American Indians, 42,161 Eskimos and 14,205 Aleuts. This figure is 86% higher than the 1970 count of 763,594 but the degree to which this change reflects real growth rather than enumeration error and changes in definitions and methods is not known.

The Native American population is concentrated in the Western United States, although significant portions live in each of the four Census regions:

Table 1 - Native American Population By Census Region, 1980

Region	Percent of Population (1980) Native Americans	 U. S. Population
Northeast	5.5	21.7
North Central	17.5	26.0
South	26.2	33.3
West	50.7	19.1
TOTAL	99.9	100.1
Population Size	1,418,195	226,505,000

Source 1980 U. S. Census

The Native American population is also more rural than the population as a whole: 55.4% of Indians, Aleuts, and Eskimos compared to 26.5% of the general population live in rural areas according to the 1970 Census. Of the rural population, 50.5% live in official reservation areas. Most of the remainder live on trust lands nearby. Oklahoma and Alaska have substantial Native American populations, but do not have legally defined reservations.

Income and Poverty Status

Native Americans are one of the poorest racial groups in the United States. In 1970, the median family income was $5,832 for Native Americans. The median income was higher for urban Indians ($7,323) than for those living in rural non-farm areas ($4,691), where the reservations are located. The median income for all American families then was $9,586 or 1.6 times higher than that of Native Americans. Both White and Black families reported higher median family incomes, at $9,945 and $6,100 respectively.

Another measure of income is the poverty level. The poverty level is a dollar figure based on family size, age of the family head, number of children and farm-nonfarm residence. It is updated yearly by the U. S. Government to adjust for changes in the Consumer Price Index and reflects the amount of money that a family has available for food at a subsistence level. There were significantly more Native Americans at or below the poverty level than other Americans. Figures for 1969 as reported in the 1970 Census are shown below:

Percent at or Below the Poverty Level	Native Americans	U .S. A.
. Persons	38.3%	12.6%
. Families	33.3%	10.7%

Family Size

Native Americans have on the average, larger families than either White or Black families. In 1970, the U. S. Census found that the average family size for different races was:

Table 2: Average Family Size (persons), by Race (1970)

U. S. A.	3.6
Whites	3.5
Blacks	4.1
Native Americans	4.5
- urban	3.9
- rural	4.9

Source: 1970 U. S. Census

For the United States as a whole, 10.7% of all families contained six or more persons. The figure is nearly three times higher for Native Americans at 28.5% and almost four times higher for rural Native Americans at 36.9%.

Age and Sex Distribution

The large family size of Native Americans is reflected in the age-sex distributions as shown in figure 1, an age-sex pyramid comparing Native Americans with the total population of the United States. The age distribution between the two groups is markedly different. The Native American population is concentrated in the younger age groups, with 51.3% of the population under the age of twenty. This compares with 18.6% for the United States. The elderly population is much smaller for Native Americans than for the United States as a whole. Nationwide, individuals aged 65 or over comprise 9.9% of the population while their Native American counterparts comprise only 5.4% of that population.

Women, in general, live longer than men. The number of males per 100 females varies particularly in the older age groups. Nationwide, for persons aged 65 or over, there are 72 men for every 100 women. This figure is 71 for Whites, 76 for Blacks and 90 for Native Americans. The reason for the sharp difference between Native Americans and other Americans is not fully known. However, the excessive maternal mortality rate for Native Americans before 1950 may have contributed. The youngest of these elderly women would have been born in 1905 and been of child-bearing age from 1920 to 1950. Although no comprehensive

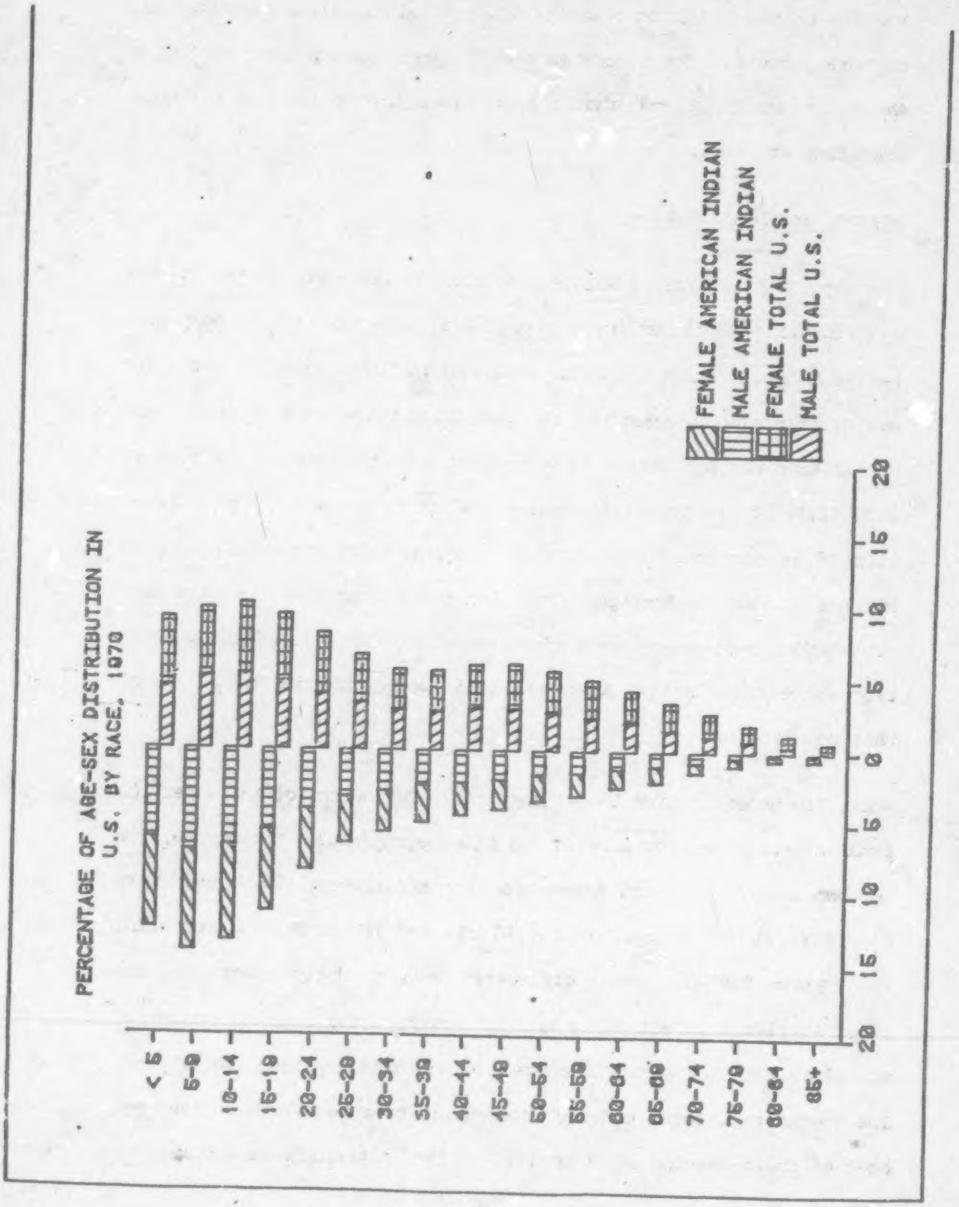

PERCENTAGE OF AGE-SEX DISTRIBUTION IN
U.S. BY RACE, 1970
< 5
5-9
10-14
15-19
20-24
25-29
30-34
35-39
40-44
45-49
50-54
55-59
60-64
65-69
70-74
75-79
80-84
85+
20
15
10
5
0
5
10
15
20
FEMALE AMERICAN INDIAN
MALE AMERICAN INDIAN
FEMALE TOTAL U.S.
MALE TOTAL U.S.

Figure 1

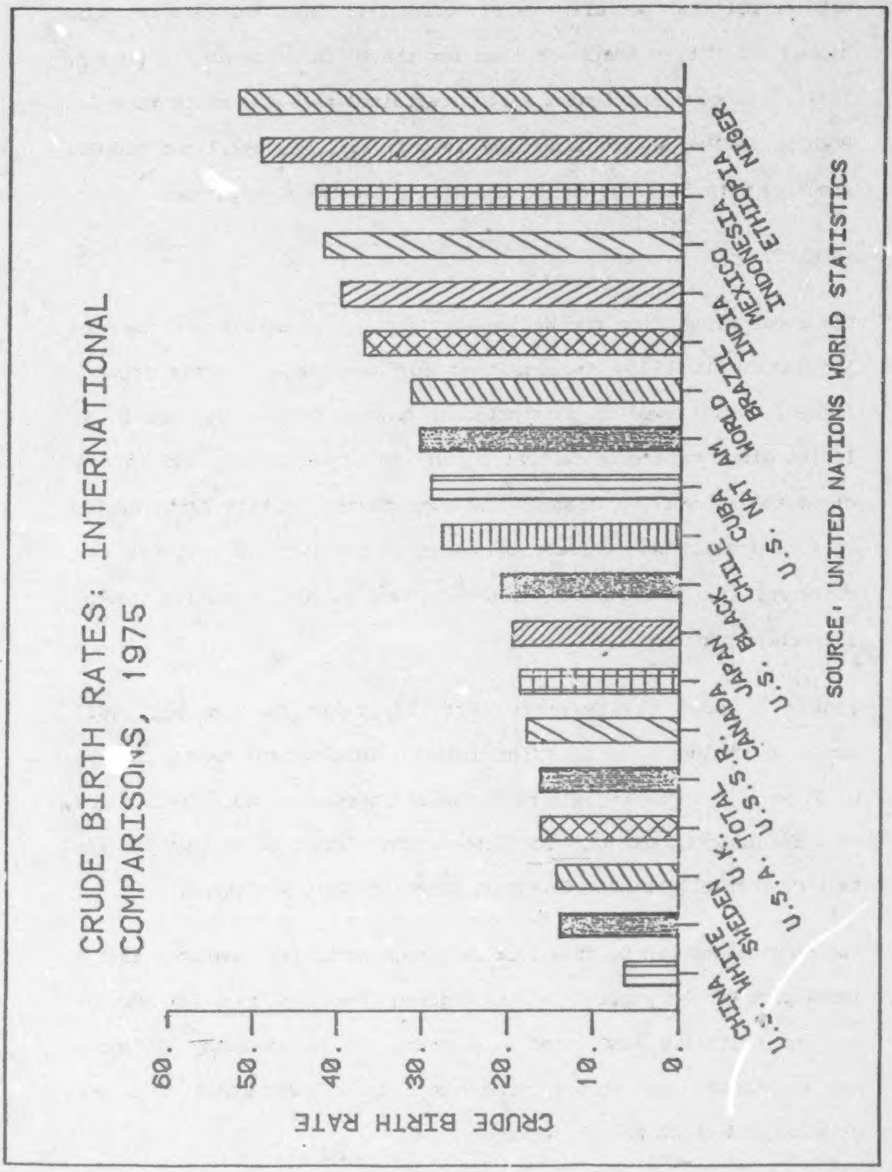
data on maternal mortality exist during that time, the rate was much higher for Native Americans than for the U. S. (Slocumb and Kunitz, 1977). Slocumb and Kunitz also accertained that the death rate for Pueblos in New Mexico from 1927 through 1932 was 292.7 per 100,000 compared with 38.4 for the United States for the same period.

V. NATALITY

The crude birth rate for Native Americans, 30.5 births per thousand population in 1975, exceeds that for many major Census groups. Indeed, when viewed in international context (Figure 2), the U. S. Indian birth rate exceeds that of any developed country and is very close to the world average. The consequences of this fact for the age-sex pyramid have already been seen in terms of the proportion of children. The picture for American Indians closely resembles that of a developing nation.

Figure 3 shows the relative fertility rates (births per 1,000 women of childbearing age) for Indians, Blacks, and Whites in the U. S. in 1975. The overall rates for all ages were 143.6 for Indians, 89.2 for Blacks, and 63.0 for Whites. The figure shows that Indians have dramatically higher fertility rates in every age group.

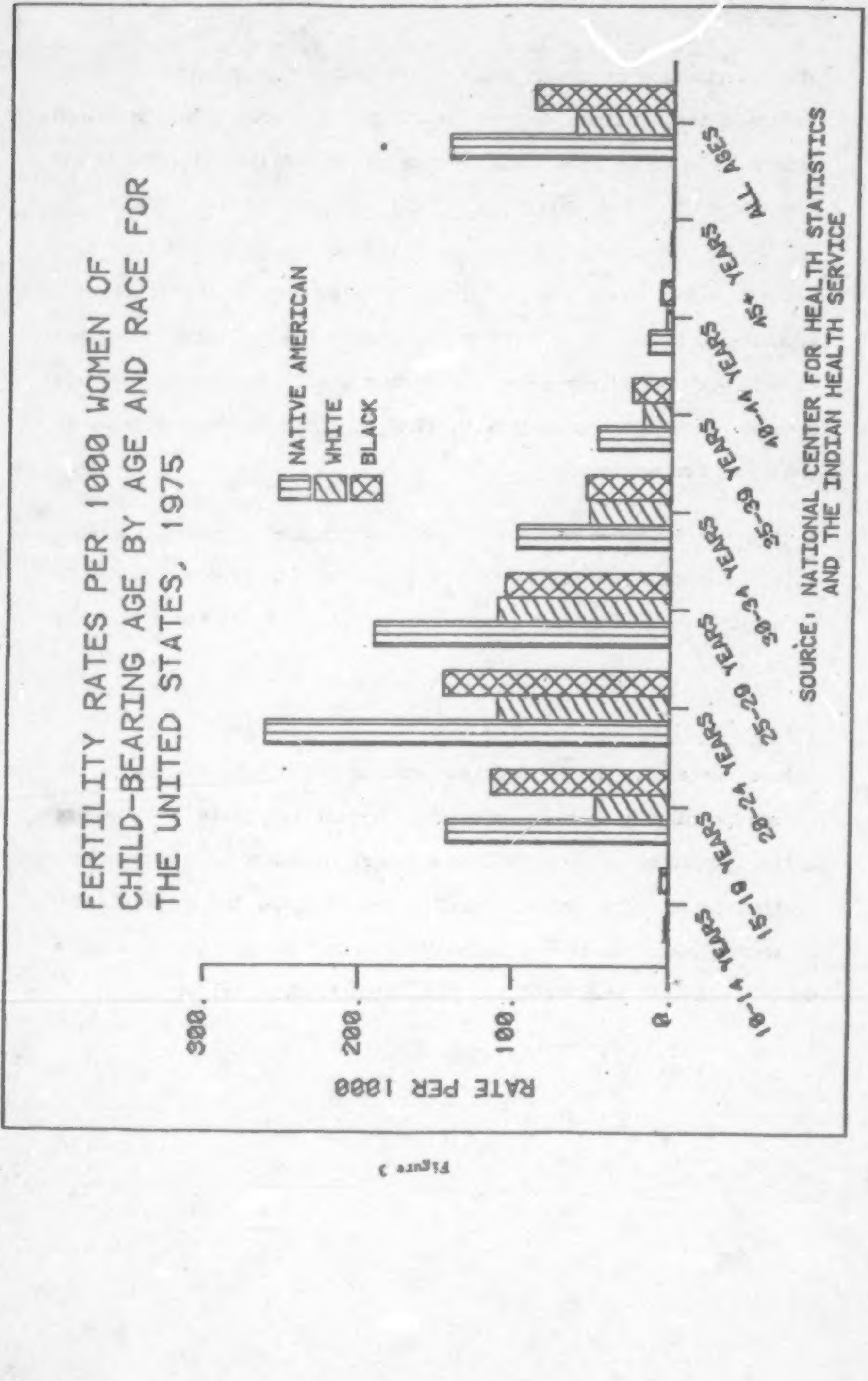
Two conclusions can be drawn: first, high fertility indicates that a large part of the population at any given time is at risk for morbidity and mortality associated with pregnancy, childbearing, infancy, and childhood; and second, that there is a substantial need for maternal and child health services.



CRUDE BIRTH RATES: INTERNATIONAL COMPARISONS, 1975

SOURCE: UNITED NATIONS WORLD STATISTICS

Figure 2



FERTILITY RATES PER 1000 WOMEN OF CHILD-BEARING AGE BY AGE AND RACE FOR THE UNITED STATES, 1975

SOURCE: NATIONAL CENTER FOR HEALTH STATISTICS AND THE INDIAN HEALTH SERVICE

Figure 3

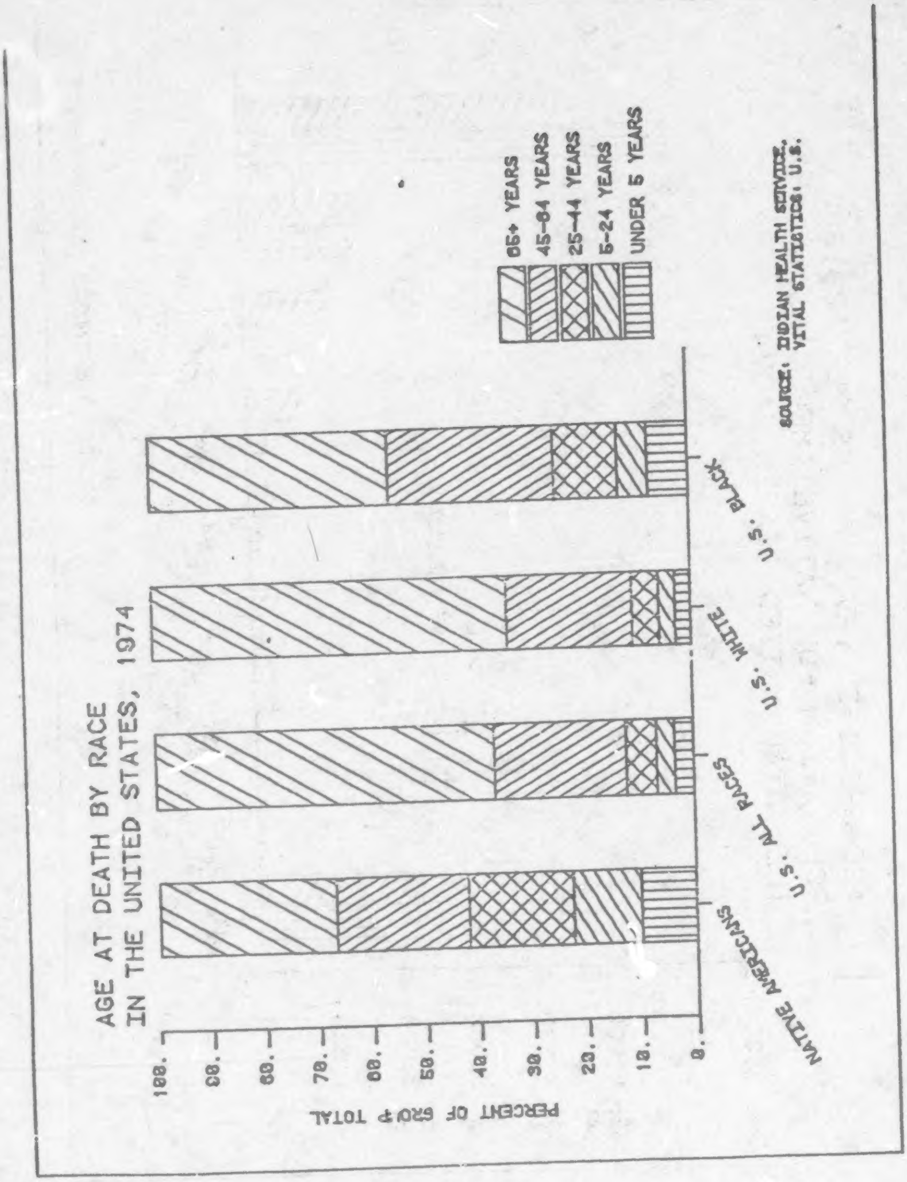
VI MORTALITY

The distribution of age at death in the United States is presented in Figure 4 for Indians, Whites, Blacks and all races. In the United States as a whole, the vast majority of deaths (63.3%) occur among the elderly. For Whites, slightly over two-thirds (66.2%) of all deaths are among persons aged 65 or over and nearly one-third (32.8%) among those younger than 65. For Native Americans, the opposite is true. One-third of all deaths (33.0%) occur among the elderly and two-thirds among the younger ages. Black Americans are between these two extremes, with 44.6% of their deaths occurring in the older age groups.

A more precise measure of risk of death is the age-specific death rate. As shown by Figure 5, the death rate in each age group is higher for the Indian population than for the U. S. as a whole, until age 65.

Infant Mortality

Infant mortality is an important consideration with regard to the Indian population because of the high fertility rate and because infant mortality is often used as a global indicator of a population's health status. The infant mortality rate for the Indian population in recent years has been relatively close to that for the U. S. as a whole and better than the Black population as shown below:

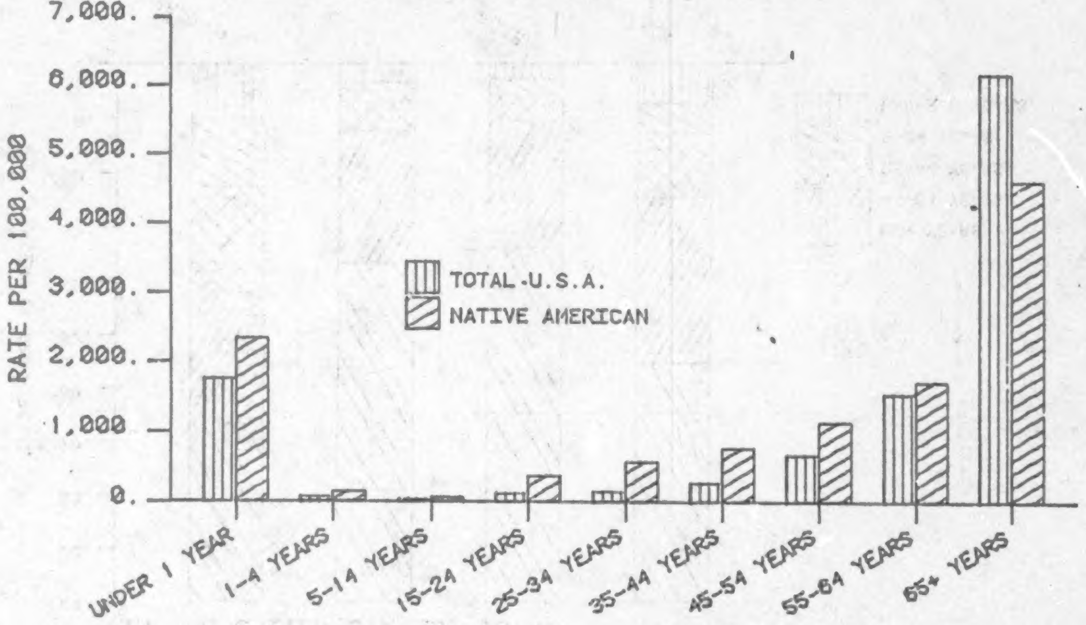


AGE AT DEATH BY RACE IN THE UNITED STATES, 1974

SOURCE: INDIAN HEALTH SERVICE, VITAL STATISTICS, U.S.

Figure 4

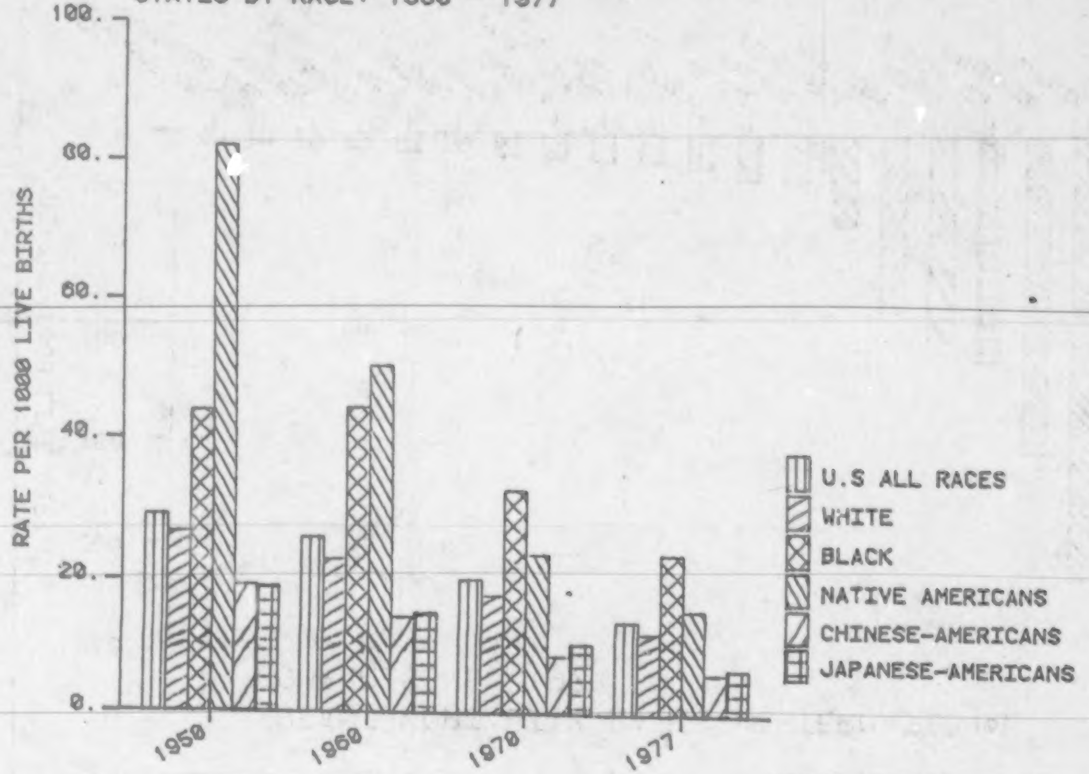
AGE-SPECIFIC DEATH RATES PER 100,000 POPULATION FOR NATIVE AMERICANS AND THE TOTAL UNITED STATES, 1974



SOURCE: THE INDIAN HEALTH SERVICE

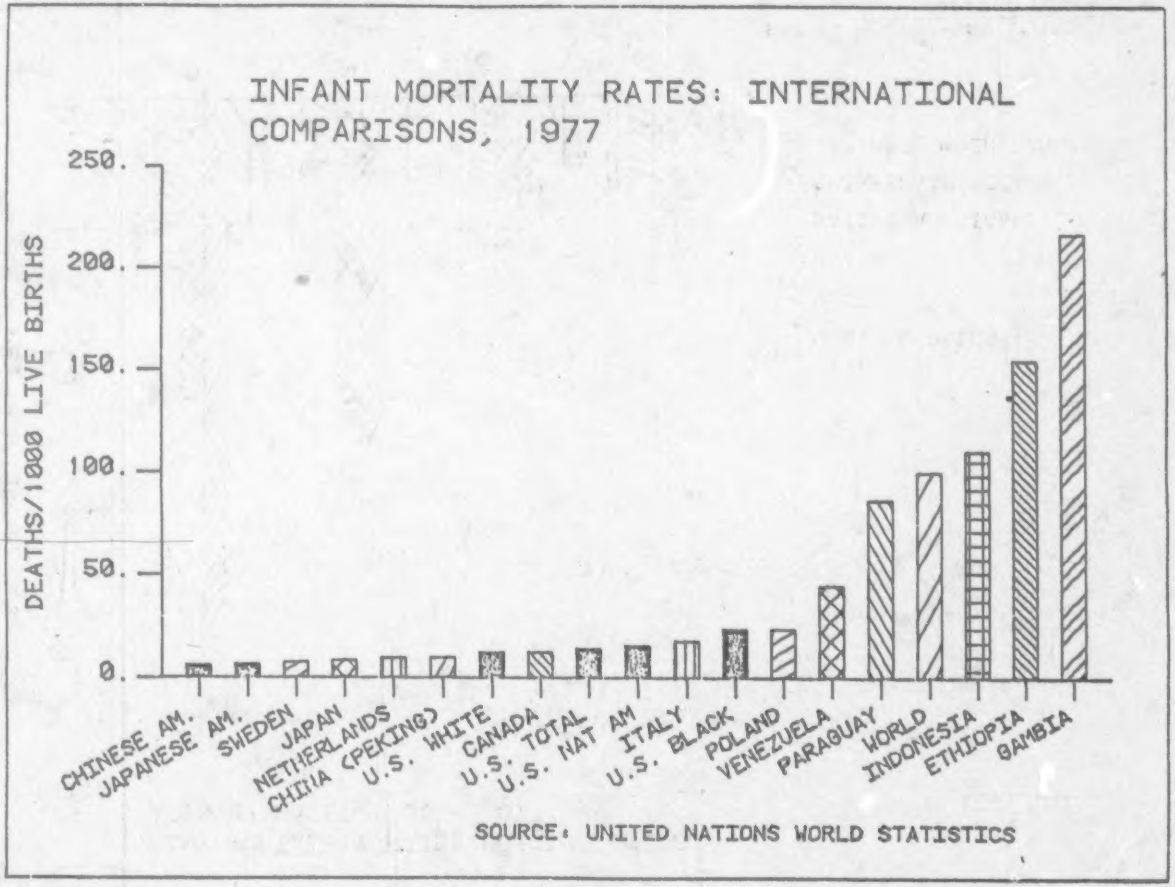
Figure 5

INFANT MORTALITY RATES FOR THE UNITED STATES BY RACE, 1950 - 1977



SOURCE, HEALTH UNITED STATES, 1979

Figure 6



INFANT MORTALITY RATES: INTERNATIONAL COMPARISONS, 1977

SOURCE: UNITED NATIONS WORLD STATISTICS

Figure 7

Table 3: Infant and Postneonatal Mortality Rates, by Race, 1975

	Infant Mortality Rate (under 1 year)	Postneonatal Mortality Rate (one month to one year)
U. S.	16.1	4.5
U. S. Whites	14.2	3.8
U. S. Blacks	26.2	7.9
U. S. Indians	18.2	8.9

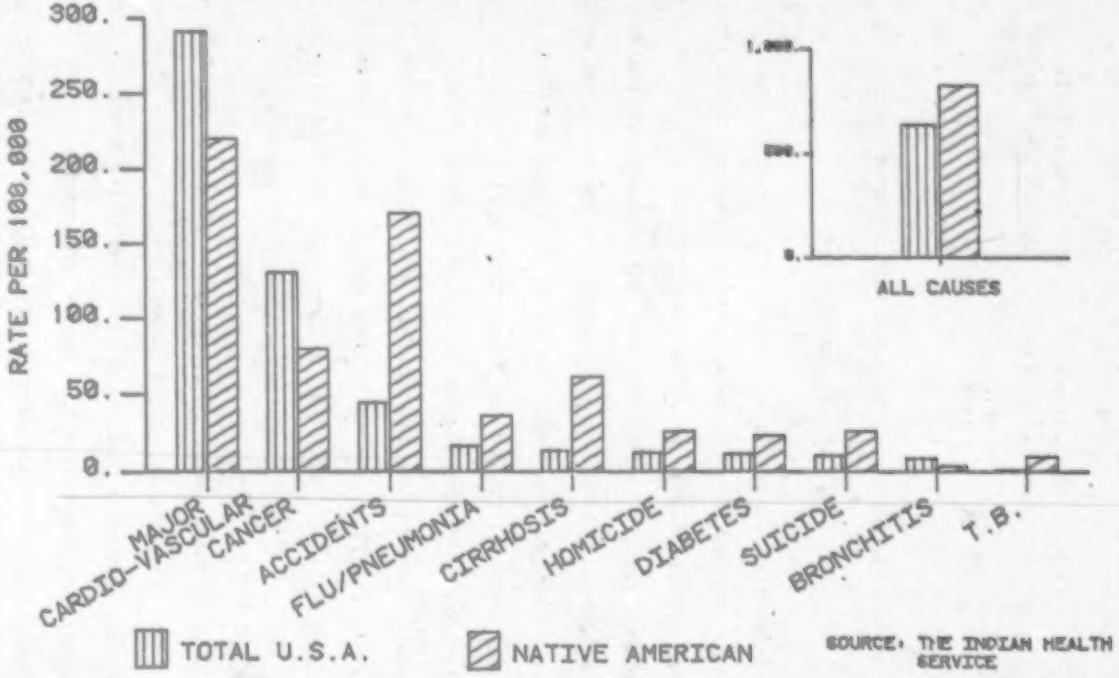
Source: Indian Health Service, Indian Health Trends and Services, 1978 Edition and U.S. PHS Vital Statistics of the U. S., 1975.

This finding is the result of recent improvements in health care for Indians. For the infant, neonatal and postneonatal death rates have dropped considerably in recent decades. Figure 6 shows the improvements in infant mortality, but most particularly for Indians. The period covered by the figure coincides with the establishment of the Indian Health Service. While no direct inference can be drawn about the influence of the IHS on these trends, it is significant that nearly 100% of Indian births in the past decade have occurred in hospitals, compared to approximately 75% thirty years ago. (Slocumb and Kunitz, 1977). Figure 7 shows how the Native American infant mortality rate has improved in comparison to international data.

Causes of Death

Figure 8 compares death rates by cause of death for Indians and the U. S. population. Major categories of excess incidence are accidents, influenza and pneumonia, cirrhosis, homicide, suicide, diabetes, and tuberculosis. Death from cardiovascular diseases, and bronchitis occur less often in the Indian group, largely because - as seen in the discussion of age specific death rates -

CAUSE-SPECIFIC DEATH RATES PER 100,000
POPULATION FOR NATIVE AMERICANS AND
THE TOTAL UNITED STATES, 1975



SOURCE: THE INDIAN HEALTH SERVICE

Figure 8

fewer Indians live long enough to die of them. The categories with excess incidence among Indians are primarily causes of death in the middle years, and most of them are behaviorably-linked: accidents, alcoholism, homicide and suicide.

Motor vehicle accidents, in particular, contribute to the disproportionate death rates for adolescent through middle-aged Native Americans. For example, in the 15-24 year age group, the motor vehicle death rate for Native Americans is four times higher than for the rest of the United States (160.5 vs. 40.5). Factors for this include remoteness of the Indian reservations, inclement weather, poor roads and alcoholism.

The role of alcoholism in Native American mortality cannot be fully measured. Data are available for causes of death directly due to alcoholism. Comparisons for these causes are shown below:

Table 4: Alcoholism Death Rates (Per 100,000 population), 1974

	Native Americans	U.S.A.
Alcoholism	20.8	2.3
Alcoholic psychoses	0.7	0.2
Cirrhosis of the liver w/mention of Alcoholism	29.9	6.2
TOTAL	51.4	8.7

Source: Indian Health Service, Indian Health Trends and Services, 1978 Edition

The total rate for the direct causes is 5.9 times higher for Native Americans than for Americans as a whole. However, the impact of alcoholism on other causes of death, such as motor vehicle accidents, other accidents, homicide and suicide is not quantifiable.

Mortality Trends

In the United States, a vast majority of the deaths are among the elderly and the causes for these deaths are largely the diseases of old age. As we have seen, Native American deaths are concentrated in the younger age groups and many result from so-called "preventable" causes. Even though so many Native American young people are dying compared with their counterparts in the rest of the country, there has been an improvement since the inception of the Indian Health Service. However, as shown below, the improvement has not affected the death rate for late adolescents and young adults.

Table 5: Age-Specific Death Rates per 1,000 for Certain Ages,1956-1974

	1956	1974	% change
Age 1-4			
Native Americans	4.0	1.5	-62.5%
U. S.	1.1	0.7	-36.4%
Age 5-14			
Native Americans	0.9	0.6	-33.3%
U. S.	0.5	0.4	-20.0%
Age 15-24			
Native Americans	3.2	3.8	+18.8%
U. S.	1.1	1.2	+ 9.1%
Age 25-34			
Native Americans	6.1	5.8	- 4.9%
U. S.	1.5	1.5	0%

Source: Indian Health Service, Indian Health Trends and Services, 1978 Edition

Mortality rates for leading causes of death have also changed since the Indian Health Service came into being in the mid-fifties. The following table shows the percentage change for cause-specific death rates for the first twenty years of the IHS:

Table 6: Cause-Specific Mortality Rates per 100,000 for Native Americans, 1955 to 1974

	1955	1973-1975*	% Change
Tuberculosis	55.1	7.1	-87.1%
Enteritis w/other Diarrheal Diseases	39.2	5.7	-85.5%
Certain Diseases of Early Infancy	67.6	20.5	-69.7%
Influenza and Pneumonia	89.8	35.1	-60.9%
Congenital Anomalies	19.0	9.3	-51.1%
Heart Disease	133.8	127.7	- 4.6%
Accidents	155.6	156.4	+ 0.5%
Malignant Neoplasms	59.1	63.7	+ 7.8%
Diabetes Mellitus	13.9	18.6	+33.8%
Homicide	15.9	24.6	+54.7%
Suicide	8.7	20.1	+131.0%
Cirrhosis of the Liver	14.2	45.1	+217.6%

*Three year centered average.

Source: Indian Health Service, Indian Health Trends and Services, 1978 Edition

VII. Morbidity

The preceding data on mortality indicate a considerable degree of morbidity in the Native American population. Direct information about comparative morbidity is, however, less than adequate. The foremost sources for information about the incidence of disease for the U. S. as a whole are the disease reporting system of the Center for Disease Control and the NCHS tabulations of the Health Interview

Survey. Morbidity data on Native Americans were obtained from IHS.

The results of CDC monitoring for notifiable diseases in 1976 compared with IHS information are summarized in the table below:

Table 7: Rates per 100,000 population of New Cases for Leading Notifiable Diseases, Native Americans and United States, 1976.

	Native Americans	United States	Ratio
Chicken Pox	641.9	96.1	6.7
Mumps	327.2	17.9	18.3
Measles (Rubeola)	149.8	19.2	7.8
Rheumatic Rever	75.0	1.3	57.7
Otitis Media	10,957.0	NIA**	-
Tuberculosis, new active	69.4*	15.0	4.6
Gonococcal Infections	1,580.2	470.5	3.4
Syphilis, all	166.2	44.8	3.7
Infectious Hepatitis	272.7	26.2	10.4

*The rate for Alaska Natives is 158.5.
**No Information Available.

Source: Indian Health Service, Indian Health Trends and Services, 1978 Edition

Two of the conditions in the table, mumps and measles, are generally preventable by immunization. Data on morbidity from the Health Interview Survey have not yet been run by NCHS.

VIII. INDICES OF HEALTH STATUS AND UTILIZATION

The most easily identifiable components of health status are natality and mortality, as discussed in the previous section. However, there are other aspects of health status, such as health care utilization and health indices. These measures have been obtained for the United

States since 1955 through the Health Interview Survey (HIS), sponsored by the National Center for Health Statistics.

The HIS is an on-going survey of over 40,000 families per year representing the non-institutionalized population of the United States. Data are gathered on health care utilization, conditions and measures of health quality represented by self-perceived health status, limitation of major activity and restricted activity days due to a medical condition. The HIS has published numerous reports through the years on these variables for the entire country and for the major racial categories of Black and White.

In 1976, the HIS expanded its racial and ethnic groupings by adding questions which specifically identified Native Americans, Asians and Hispanics. There was some concern as to how accurate the HIS would be in counting and identifying Native Americans given the definitional problems about what is a Native American. However, the population projection inflated for the 1978 HIS is 1,175,000 - a figure consistent with the U. S. Census count of 1,418,000 individuals two years later in 1980.

The advantage of HIS data over the Indian Health Service data that have served as the basis for this report thus far is that survey data provide detailed insight into each respondent's experience of sickness and disability and that the sample is representative of the population of Native Americans in the U. S., rather than just those served by the Indian Health Service.

Table 8 presents unpublished data from the 1978 HIS by race for health status and utilization. The upper half of the table shows total numbers, while the lower half gives rates and percentages.

The first three items deal with health status and the remainder with utilization. The first two measures refer to disability and the third to perceived health status. The first measure, the number of restricted activity days per person per year, is defined as the number of days on which a person substantially reduces his or her normal activity because of illness or injury. The rate for Native Americans - 24.6 - is higher than any other racial or ethnic group, except for Black Hispanics who also share the 24.6 figure. The number of restricted activity days is 1.3 times the national average.

The second health status measure, the percent of persons with a chronic activity limitation, pertains to individuals who are limited in some way in their usual activities because of a chronic condition. Comparisons of this disability measure across the racial groups is consistent with the restricted activity measure. Native Americans - at 18.2% - again have the highest rate across all racial and ethnic groups and again this rate is 1.3 times the U. S. average.

The last health status indicator is the percent of persons who perceive themselves to be in poor or fair health rather than good or excellent health. The percent for Native Americans - 18.1% - is second only to Black non-Hispanics at 18.8%. The figure for Native Americans is 1.5 times higher than for entire country. Given the high concentration of Native Americans in the younger age groups,

Table 8: Selected Health Characteristics by Racial/Ethnic Status: United States, 1978
(Data are based on household interviews of the civilian, noninstitutionalized population of the United States)

Selected Characteristics	Racial/Ethnic Status						
	All Persons[1/]	White Non-Hispanic	Black Non-Hispanic	Black Hispanic	Hispanic	Asian	American * Indian
	Number in Thousands						
All persons	213,828	167,793	24,849	844	12,029	3,042	1,175
Restricted Activity Days	4,011,249	3,097,400	521,299	13,384	223,303	34,800	28,854
Persons with chronic activity limitation	30,306	24,106	3,809	66	1,372	269	214
Persons perceived to be in poor or fair health	26,300	18,999	4,676	61	1,658	327	213
Persons with a physician visit in past year	161,143	127,349	18,559	426	8,472	2,132	826
Persons with 5 or more physician visits in past year	45,392	35,600	5,409	117	2,540	542	282
Persons with one or more dental visits in past year	106,519	89,637	8,577	208	4,313	1,403	459
Volume of dental visits	342,472	287,804	24,916	* 752	15,664	5,564	1,467
Persons with one or more short-stay hospital episodes	22,288	17,644	2,717	70	1,107	210	149
	Rate or Percent						
Number of restricted activity days per person per year	18.8	18.5	21.0	24.6	18.6	11.4	24.6
Percent of persons with chronic acitivity limitation	14.2	14.4	15.3	12.1	11.4	8.9	18.2
Percent of persons perceived to be in poor or fair health	12.3	11.3	18.8	11.2	13.8	10.7	18.1
Percent of persons with a physician visit in past year	75.4	75.9	74.7	78.3	70.4	70.1	70.3
Percent of persons with 5 or more physician visits in past year	21.2	21.2	21.8	21.5	21.1	17.8	24.0
Percent of persons with one or more dental visits in past year	49.9	53.4	34.5	38.2	35.9	46.1	39.1
Number of dental visits per person per year	1.6	1.7	1.0	* 1.4	1.3	1.8	1.2
Percent of persons with one or more short-stay hospital episodes	10.4	10.5	10.9	12.9	9.2	6.9	12.7

[1/] Includes all persons whose racial/ethnic status are not ascertained.
* Figure does not meet standards of reliability or precision (more than 30 percent relative standard error).

Source: National Center for Health Statistics, Division of Health Interview Statistics, unpublished data.

* Includes Eskimos and Aleuts.

this figure is especially noteworthy. Breakouts by age for all of these health status measures will be informative when they become available.

The remainder of the table deals with health care utilization, specifically physician visits, dental visits and hospital stays. Telephone consultations are included as physician visits and treatments by a dental hygienist are counted as dental visits. Native Americans at 70.3%, have one of the lowest percentages of physician visits within the past year. They run a close second to Asian-Americans at 70.1% of all persons saw a physician within the past year.

However, of those persons who visited a physician the number of visits for Native Americans appears to be higher than for anyone else. This is evidenced by the fact that Native Americans had the highest percent of persons - at 24.0% - to have had at least five physician visits during the last year. Five physician visits per person per year has been the average number nationwide ever since the HIS began. The percent nationwide for five or more physician visits is 21.2%.

The number of dental visits per person per year is generally considered to be highly related to socio-economic status. The HIS figures mirror this with the average number for Native Americans at 1.2 visits per year (75% of the national average of 1.6 visits). Blacks, with 1.0 visit per year, are the only racial group lower than Native Americans.

The last measure of utilization is the percent of persons who reported at least one hospitalization during the last year. Nursing homes and long-term care facilities are excluded from this figure as are outpatient visits. The percentage for Native Americans is, again, one of the highest, with 12.7% having had a hospital stay of at least one night during the last year. The national average is 10.4%. Black Hispanics at 12.9% experienced a slightly higher rate of hospitalization. No further breakdown by cause or age is yet available. However, the leading causes of hospitalization reported by IHS are childbirth and complications of pregnancy. This is entirely consistent with the huge fertility rate of Native Americans and the high number of young women in the population.

IX. PUBLIC HEALTH INSURANCE COVERAGE

The Department of Health and Human Services pays for the health care received by most Native Americans through the Indian Health Service. However, the Department has other health financing programs, notably Medicare, which pays for the health care of elderly Americans, and Medicaid, a joint Federal-State program, the purpose of which is to finance the health care of certain Americans in poverty. Both Medicare and Medicaid are administered by the Health Care Financing Administration (HCFA). Neither program maintains data which would either identify Native Americans or which could study the funding mechanisms between IHS, Medicaid and Medicare in order to determine which program was the payor of last resort.

The fact that one-third of all Native American families live below the poverty level indicates that a large percentage are Medicaid eligible. Medicaid enrollment is complex, but is basically linked to eligibility for the either of two welfare programs: Aid to Families with Dependent Children (AFDC) and Supplemental Securtiy Income (SSI), for aged, blind and disabled Americans. Both programs are administered by the Social Security Administration. AFDC recipients are automatically entitled to Medicaid and SSI recipients are also, in most instances.

Although Native Americans are the poorest American ethnic group and although many do receive welfare payments which entitle them, in most instances, to Medicaid eligibility, Native Americans are believed to be underrepresented in these programs, particularly in AFDC. The AFDC program, like Medicaid, is jointly funded by the Federal government and the states. Specific eligibility rules are defined by the individual states under broad Federal guidelines. Some states with large Indian populations have not allowed Native Americans living on reservations to apply for AFDC, and thus Medicaid. The legality of this practice is being challenged throughout the Western United States.

The AFDC Characteristics Survey found in 1977 that over 37,000 families or 1.1% of the total AFDC population was Native American. Over 5,000 of these families live in Arizona which is the only state with no Medicaid program. The other 32,000 families are eligible for the Medicaid programs in their states.

The only source of data on coverage by Medicaid and Medicare for Native Americans is the HIS. In 1978, the HIS reported that 8.3% of all Native Americans were on Medicare and 17.4% were "probable Medicaid" enrollees. The term "probable Medicaid" includes those individuals who:

- Received checks from AFDC or SSI; and/or
- Showed a valid Medicaid card to the interviewer; and/or
- Did not report Medicaid coverage, but cited Medicaid coverage as a reason for not having had health insurance.

The overlap between IHS, Medicare and Medicaid needs to be better defined and rules for cross-program financing to be consistently applied throughout the Department. A step in this direction is the attempt by the Navajo tribe to administer its own Medicaid program like a state or territory. The Navajos are interested in such a venture, for two main reasons: (1) a large portion of their tribal members live in Arizona, which has had no Medicaid program; and (2) Medicaid pays for long-term care while IHS and Medicare do not.

The extent to which Medicaid and Medicare pay for Native American health care, either now or in the future, is not fully known. However, the IHS remains the major source for Native Americans.

X. CONCLUSION

The Native American population of the United States, numbering over one million American Indians, Aleuts and Eskimos, presents some unique features for health policy makers and epidemiologists. First, their health care is almost entirely funded by Federal and state governments, both through the treaty-based Indian Health Service and the Medicare and Medicaid entitlement programs. Second, Native Americans are a young population whose mortality patterns have improved greatly in the past 30 years, largely through increased access to care. Third, despite improved infant and child health status, mortality for adolescent and young adults aged 15 to 24 has increased, largely due to behavior-linked causes, primarily motor-vehicle accidents and, perhaps, alcoholism.

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Mr. **Savilla**. Thank you.

I would also like to briefly mention what we consider to be a hidden agenda that is causing division amongst Indian tribes and Indian organizations throughout the country through the use of these budget cuts. The pot of money for each individual program shrinks. Through no fault of their own—survival, mainly—the tribes and organizations—and I am talking about urban versus reservation-based organizations—are forced to compete for those scarce funds. It is creating disunity throughout the country, and I believe that it is planned. I would like to get that on the record that the strategy that is happening is causing dissension throughout Indian country. We would hope that that would not happen any further.

With that, Mr. Chairman, I will conclude my testimony for today. I will be available later for any questions.

Mr. **Woodcock**. Thank you.

We will now turn to Mr. Ron Andrade. I see that he is accompanied by Joe DeLaCruz who is the president of the National Congress of American Indians.

Either one of you please proceed.

STATEMENT OF JOE DELACRUZ, PRESIDENT, NATIONAL CONGRESS OF AMERICAN INDIANS

Mr. **DeLaCruz**. Thank you, Mr. Woodcock. Annually for 8 years I have been testifying before this committee in various capacities: as president of the Quinault Nation, as president of NTCA, as president of NCAI.

Today it is my pleasure to come before this committee as the president of the National Congress of American Indians. Before I start my testimony, it is my understanding that you will be leaving this committee. I want to commend you for the work you have done for and on behalf of Indian people. You and the staff are to be commended for the only piece of legislation that I am aware of in 200 years that has Indian treaty language incorporated. You worked very hard with that.

Everywhere you travel to from here I hope you will remember us. When you come back here as Senator Woodcock or Congressman Woodcock, we will be looking for you.

Mr. **Woodcock**. Thank you, Joe.

Mr. **DeLaCruz**. The only comments that I want to make are some reflections on some of the things that came up when the administration was before the committee yesterday and because of some of the comments that Dr. Johnson made here this morning.

Again, the United States is facing an economic crunch, and the administration has cut budgets. It seems that the appropriations committees and other committees are scared to attack the bureaucracy that Indian people have been under for centuries. Dr. Johnson talked about 28 steps above the level where he sat in Indian health before he retired.

Mr. **Taylor**. I think that was 38.

Mr. **DeLaCruz**. Yes, 38 steps. Believe me, this committee and the policy review commission have a good record from the trenches out in Indian country as to how many steps our people have to go through in budget processes.

Then after the Self-Determination Act was passed, I believe I presented to this committee, in Albuquerque, at a hearing about the 26 steps and 26 desks across the area office before you had a contract in, if you were lucky. Again, a contract that was not reflective of the needs of the tribes as far as their budgets are concerned because you are just contracting what the bureaucracy happened to have in their budget.

I think these are the types of things that need to be looked at. I have looked at the growth of the bureaucracy in my years as a tribal chairman—and it is going on too many years—and I have watched these area offices going from an area director to five assistant area directors, five branch chiefs, five assistant branch chiefs. We wonder why no money filters down to the reservation. We look at an 80- 20-percent attrition on the reservations. These are the types of things that need to be looked at.

When I heard the administration yesterday being asked questions as to why they were making the cuts and did they study them, and they said, "No, but that is our budget limitations." That is without any analysis at all.

The administration—IHS and the Bureau of Indian Affairs—has speeches saying they are going to strengthen the local level and strenghten tribal governments at the agency and service-unit level. I see them doing just the opposite. Again, digging in the trenches in the central and area offices. If this does not change, then the gains that Indian country have made are going to be completely gone, that is, those gains made with the help of this committee during the last 8 years.

As far as NCAI testimony is concerned, I am going to ask Ron Andrade to give the reflection of the way the 180 member tribes, the 12 regions of Alaska, see what is happening to the Indian people, as far as seen from the materials that came from our conventions and resolutions.

I would like to ask Ron to do that.

Mr. WOODCOCK. Mr. Andrade?

STATEMENT OF RON ANDRADE, EXECUTIVE DIRECTOR, NATIONAL CONGRESS OF AMERICAN INDIANS

Mr. ANDRADE. It is really a pleasure to call both you, Mr. Woodcock and Pete Taylor, chairman or cochairman.

Our testimony—and I will be brief because it has been a long day, and we did not have lunch and I know that you did not have lunch, so I will try to cut it down.

Mr. WOODCOCK. Let the record show that the credit union closes at 3 o'clock.

Mr. ANDRADE. I will keep that in mind, Mr. Woodcock, as I go through the testimony.

We start our testimony on the belief that the Federal Government has a trust responsibility to provide services to Indian people. The trust responsibility is based upon treaty relationships with the tribal sovereigns and with the U.S. sovereign.

This has been gone over in an extensive amount of Supreme Court cases, statutes, and various other issues that have brought out this trust relationship and this responsibility, the trust responsibility.

Yet, when we review the President's submission or the budget submission, we find that being violated almost wholesale. There are flagrant violations also of congressional intent.

I wanted to bring up one in particular. The member tribes of NCAI, in January, opposed the ANA transfer to the BIA. In testimony 2 days ago, Senator Melcher asked Mr. Wichlacz from ANA what contact he had had with any Indian organizations. The only group he mentioned was NCAI at that point. He did not clarify it at all. I wanted to clarify it for your record.

In December we notified ANA that from our research they were in violation of congressional intent. In February we presented to them the congressional materials that we had researched and found. We did that because we felt that they should know that the law was and that would only create animosity with the tribes and the Federal Government. We presented that to the Department.

Mr. Wichlacz failed to mention that in testimony before Senator Melcher. He just mentioned that we were contacted as though we were in some kind of consultation mechanism, which we were not. We were clearly warning the Department that they were in violation.

In the 1974 hearings before the Congress regarding the Native American Programs Act, the Congress specifically stated that there was to be no delegation of the native American programs to the BIA. To the best of our knowledge, the Congress never recanted that direction.

We cannot understand, now, how the administration, then, can just violate congressional intent and go ahead and make the delegation authority as of April 1.

I think it is also important in terms of ANA to expand beyond what Mr. Wichlacz responded to Senator Melcher. His response to Senator Melcher was that ANA primarily is a grants management program, which, in fact, it is not. It does manage grants. It does provide some of the most basic needs that the tribes and Indian organizations need.

He forgot to mention, though, that ANA chairs the Interdepartmental Affairs Committee of HHS. He forgot to mention that ANA participates in an extensive amount of interagency contracts between HHS and other agencies such as EPA. He failed to mention a wide range of areas where ANA has been the first Federal department to intervene, in essence, on behalf of Indian tribes. That is not something that BIA has been actively doing, so to lose ANA to the Department is much, much more than losing a grants management division, as Mr. Wichlacz characterized it.

We are also concerned with the administration's position on the urban Indian health program of title V. With the phase out of ANA essentially the way the budget submission reads and the submission of zero funding for title V, both eliminate the only two programs that service Indians living off the reservation, even though they may be members of a federally recognized tribe.

The elimination of those two programs, we feel violates some Supreme Court decisions, in particular *Seminole Nation* v. *United States, United States* v. *Holiday, McClanahan* v. *Arizona State Tax Commission*, and a few other Supreme Court decisions.

We cannot understand how this administration, then, would want to both violate congressional acts and Supreme Court decisions as they submit their budget activities.

One of the other programs that we have provided some research to this committee on—and it is part of our testimony—is in the decision to rescind $16 million, I believe, of title IV in 1983. It was a comptroller general's decision in 1982 that title IV cannot be rescinded. The administration is fully aware of that report because they lost in court in New York City in 1982 because of it.

And yet they move to rescind or recommend a rescission of title IV, part A in 1983 funding.

So, we cannot understand why they would want to violate the decision already reached by the Comptroller General in asking for a rescission.

NCAI also opposes the elimination of title IV. We cannot understand how this administration, given both the statements made Mr. Watt that we have such a poor education and statements made by the President, would want to eliminate the only Department of Education program specifically for Indians that is in existence at this time.

One of the things that we would ask this committee to do is that yesterday the House requested the BIA to answer a question regarding title IV, part A, funding. They have requested a Johnson-O'Malley effective decrease within the budget line. Yet, this administation has requested elimination of the title IV program. It would be our assumption that that would mean there would be an increase for Johnson-O'Malley funding, that is, an increase in requests, and not a decrease.

The BIA did not project any increase in Johnson-O'Malley funding for this next fiscal year. We requested the House yesterday, and we would request this committee to ask them how they could have a projection of a decrease in Johnson-O'Malley requests at the same time of a loss of the title IV programing.

We would submit that there would be a significant demand in Johnson-O'Malley dollars.

We would also bring to the committee's attention a question that we asked earlier in testimony regarding the preschool programs with the BIA. I heard the BIA's response. They said there would be additional other funds available. We would request that the committee ask them specifically to show what other funds are available.

In response to the Congress, Mr. Ross responded that title XX is now available. This is false. He responded that there was a Head Start increase. The Head Start increase is for Head Start nationwide. That does not indicate that the Indian Head Start programs will be increased.

He said that title I could pick up the slack. Title I has been given a decrease. There is funding in the overall President's budget that would offset the loss on the preschool programs. This Congress has directed the Bureau to make a choice, either to continue them somehow or to terminate them. The Bureau chose to terminate. We think they chose incorrectly, and we are opposed to the elimination of those preschool programs.

As for some of the other BIA proposals, we are firmly opposed to the school closures. NCAI has gone on record early opposing the school closures, and we still are. We have had contact with the Association of Village Council Presidents as early as 1 month ago, saying that they are still opposed to it. They represent 54 villages in Alaska, and they are not in support of the Mount Edgecumbe closure.

I know today that the representatives from Alaska were asked, and they said that they were opposed. I do not know who the Bureau has consulted with in Alaska. Every Alaskan Native we have discussed it with is opposed, and yet they claim to have had some kind of consultation activity up there.

On the CHR's, of course, NCAI has been opposed to the elimination of the CHR's from the first time this administration tried to eliminate the CHR's. We are opposed, still.

We cannot understand, again, following Secretary Watt's statements on the status of Indian health, that they would now close down the first contact on Indian people who are sick.

Additionally, it is not only the CHR's that are lost. Emergency medical systems are also lost on many of the reservations so that we are facing the loss of the CHR's and the EMS program, and we do not believe that should take place.

In response to some of the questions that came up on HUD on the Indian housing program, I think we would make just one general comment because I think you had very good testimony by Mr. Froman.

HUD, in their legislative proposals, has decided that they would eliminate Oklahoma and Alaska, yet we do not understand, nor can we find in any congressional record where they were given the authority to determine what tribe or who is a tribe or what constitutes a tribal membership.

They have determined, somehow within their own system; that they can eliminate Alaska and Oklahoma just arbitrarily, and we feel that that is the wrong kind of precedent for any group not trained in treaty law or trained in the trust obligation to begin to determine that they have knowledge enough to begin to determine whom should be served and whom should not be served. So, we violently oppose any of their kind of ideas.

We have presented for you a fairly extensive report for the record, and I would hope that it will be included in the record.

Mr. WOODCOCK. That material will be included in the record at this point.

[The material follows. Testimony resumes on p. 458.]

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NATIONAL CONGRESS OF AMERICAN INDIANS

TESTIMONY

BEFORE THE

SENATE SELECT COMMITTEE ON INDIAN AFFAIRS

REGARDING

FISCAL YEAR 1984 BUDGET PROPOSALS

February 25, 1983

The federal government has a trust responsibility to provide services to Indian people. This trust responsibility is based upon the treaty relationship of the Tribal sovereigns with the United States. Within this relationship, the federal government has accepted a fiduciary responsibility to provide services to Indian people.

This responsibility has been interpreted and reaffirmed in various statutes and Supreme court decisions. In its most narrow sense, the trust responsibility originates from expressed terms in treaties, statutes, executive orders, and agreements. Where treaty or statutory provisions were vague, the courts have relied on common law fiduciary principles of trust to find a trust relationship and equivalent trust responsibility. Manchester Band of Pomo Indians, Inc. v. U.S., 363 F. Supp. 1238, 1245 (N.D.Cal. 1973) Under common law principles the court can infer from the nature of the transaction, or activity, that a trust exists or is created "even though nothing is said expressly in the authorizing or underlying statute (or other fundamental document) about a trust fund or a trust or fiduciary connection." Navajo Tribe of Indians v. United States, 624 F. 2d 981, 987 (Ct. Cl. 1980), and Menominee Tribe of Indians v. United States, 8 I.L.R. 5060, 5062 (Ct. Cl. 1981)

Economic and social service programs that benefit Indian people were authorized by congress in an attempt to raise Indians' standard of living and social well being to a level comparable to non-Indian society. Thus, the government's provision of support services to Indian people outside of treaty specific provisions can be implied as a component of the federal trust responsibility. By providing these services, the government has developed an understanding and expectation on the part of Indian people that these services are a part of the trust responsibility. The federal government's recognition of its trust obligation is seen by the comprehensive statutory scheme that affects almost every aspect of a reservation Indian's life, but is not limited to on reservation Indian people. (For example, Snyder Act of 1921, 24 U.S.C.§13, the Indian Reorganization Act of 1934, 25 U.S.C. §461 et seq., etc.) This obligation extends not only to tribal governments, but also to their members wherever they may be. United States v. Holliday, 70 U.S. 407 (1865); Seminole Nation v. United States, 316 U.S. 286 (1942); McClanhan v. Arizona State Tax Commission, 411 U.S. 164 (1973); (See, Indian Health Care Improvement Act, 25 U.S.C. §1651 et seq.; Indian Education Act of 1972, Title IV, P.L. 93-318; Impact Aid for Indian Education, P.L. 81-874)

The proposed budget of the administration subverts many of the previously passed statutes and ignores many of the decisions of the Supreme Court. In some instances the administration flagrantly attempts to ignore the expressed intent of congress.

One of the more critical budget initiatives is the proposed delegation of a portion of the Administration for Native Americans (ANA) that presently oversees the federally recognized tribes Native American program grants to the Bureau of Indian Affairs (BIA). ANA has been a part of the Office for Human Development Services within the Department of Health and Human Services since 1973. The proposed transfer would be completed by April 1, 1983. This transfer would directly refute the expressed intent of congress who, during the 1974 congressional hearings, stated that there was to be no delegation of this agency to the BIA. Congress envisioned the success of Native American Programs to be dependent on the coordination with other human service programs administered by HEW (HHS) and the flexibility within that department. (House Rep. 93-1043) The Senate saw the purpose for these programs to be the same as the House, and also made clear that Hawaiian Natives were to be served by the program. (Sen. Rep. 93-1292, pp. 20-21) Furthermore, the delegation would also entail the phased elimination of grants made to off-reservation Indian organizations and Hawaiian natives. Congress specified that one of the purposes of the Native American Programs was to encourage off-reservation Indians to develop the capacity for linking into human services delivery systems supported primarily through the federal, state and local governments. Any phaseout of off-reservation grants would violate the intent of the law.

NCAI feels that the Administration for Native Americans has worked to the benefit of tribal and off-reservation groups and that the proposed delegation of authority would injure the progress of tribes, not enhance it. We therefore request that this Committee deny the delegation of ANA's functions to the BIA. We further request that ANA's budget be returned to the 1981 level of $32 million.

The only other program that provides services to off-reservation Indians is Title V of the Indian Health Care Improvement Act, the Urban Indian Health Program. The Administration has proposed to eliminate $9 million in funding for this program. We strongly oppose the reduction and support the continuation of the Urban Indian Health program at its 1982 level. The proposal by this administration to eliminate these urban programs raises the possibility of a breach of trust by the federal government in violation of Supreme Court rulings that found the trust obligation to extend not only to tribal governments, but also to their members wherever they may be. United States v. Holliday, supra; Seminole Nation v. United States, supra. The overriding duty of the federal government is to deal fairly with Indians wherever located. Morton v. Ruiz, 415 U.S. 199 (1973)

NCAI opposes the reduction of the funding level for the Indian Child Welfare Act. The BIA has announced that the savings will be accomplished by eliminating funding for the off-reservation programs. This decision by the BIA totally violates the legislative intent of the Act which provides funding for both on and off-reservation organizations. The BIA has stated that they feel they have the right to amend the act via budget appropriations. The Supreme court in United States v. Will, 101 S. Ct. 471, 484 (1980) noted that the ability to change substantive law through appropriations measures is limited by Congressional House Rules, and that repeals of this type are not favored. The trust relationship requires that any change in a substantive law that was enacted pursuant to the federal trust obligation could only be made after much consultation and adherence to a stringent fiduciary level of care. These standards should apply to situations where the federal government proposes to transfer Indian programs from one government agency to another, or to changes or elimination of "services contract" statutes that were enacted to fill the gap between services provided to "on or near" reservation Indians and the "off" reservation Indians.

NCAI is opposed to the elimination of Title IV of the Indian Education Act. It is inconceivable to NCAI that the administration would eliminate the only education program for Indians within the Department of Education. Title IV authorizes programs to both federally and non-federally recognized Indians, as well as to off-reservation Indian Communities, for the purpose of improving the educational achievement of the American Indian. The Administration has requested that this program be eliminated in recognition of the government-to-government relationship. This reasoning makes a mockery of that concept in view of the lack of an economic base by Tribes to provide services to on-reservation Indians, let alone off-reservation Indians.

This Administration has also requested a recission of $16 million for Title IV part A (Impact Aid). This is being suggested despite the fact that the Administration was notified by the Comptroller General of the United States (Comptroller General Decision, B-205053, May 6, 1982) that the administration could not rescind Title IV funds pursuant to the Impoundment Control Act of 1974. The provisions in the Impoundment Control Act do "not supersede any other provision of law requiring the obligation or expenditure of budget authority." In that decision the GAO analyzed statutes that the Administration had requested be rescinded to see whether there was evidence of a congressional mandate to spend the funds appropriated for the particular program. The Indian Education Act, Part A (Impact Aid), was found by the GAO to involve a mandatory spending scheme and could not be rescinded. We therefore request restoration of Title IV to the 1982 budget level of $78 million.

NCAI must oppose the proposed elimination of the Community Health Representatives Program. Contrary to the Administration's belief that the CHR program is "primarily a non-patient care activity," this program provides the first line of contact with many Indian people who are sick and cannot get to a clinic. The way to combat poor health is not by terminating badly needed health programs.

NCAI was founded on the premise that we must protect the rights of Indians who are members of tribal groups. We cannot accept this administration's position that in order to retain portions of services to Indians on the reservations we must be willing to deny services to Indians off the reservation. We have stated that this government has a trust responsibility to the tribes and their members wherever they may be, and that this trust responsibility eminates from treaties and other statutes providing programs established by Congress.

NCAI commends the administration in their efforts to develop an Indian policy based on the self-determination principles implemented in the last decade. The Administration proposes to enhance self-determination of Tribal governments through economic development of reservations. We support this concept but feel that the administration must put more monies into the existing development and employment programs. For example, the Small Tribes Management Initiative funding was not increased for FY 1984. Also, development monies must be secured for water resources which will inevitably form the basis for most tribal government economic development plans. Until these economic programs take effect, the resources and internal ability of tribal governments to meet reservation Indian members needs, let alone off-reservation members, is for the most part absent. We are being asked to trade the needs of our people now for the hoped-for future benefits of economic development. This we cannot do. As in everything we hold as sacred, there must be a balance between all forces. That balance needs to be restored.

SUPPLEMENTAL INFORMATION ACCOMPANYING THE NCAI TESTIMONY

1. NCAI analysis of the FY 84 Budget Cuts
   - 1.a. Indian education
   - 1.b. Child welfare
   - 1.c. Rights protection
   - 1.d. Indian Health
   - 1.e. Social and economic development
   - 1.f. Housing
   - 1.g. Employment and training assistance
2. Appendix: Education
3. Title IV, Indian Education Act: The problems with the proposed termination
4. GAO determination dated May 6, 1982 prohibiting rescissions of Title IV, Part A
5. Available alternatives for Title IV, Part A support
6. Title VII Services in Indian Education: A fact sheet
7. Title VII and the role it plays in Indian Education
8. NCAI testimony regarding proposed amendments for Title VII, Bilingual Education Act, April 26, 1982
9. A.N.A. transfer
10. A.N.A. transfer and the non-federally recognized Tribes

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Eddie Tullis
Poarch Band of Creeks

February 9, 1983

TO: All Tribes

FROM: Ronald P. Andrade, Executive Director RPA

RE: Proposed FY'84 Budget Cuts

Attached are summaries of the proposed FY'84 Budget for tribes in the areas of Economic Development, Health, Housing, Education & Interior.

A preliminary analysis of the proposed cuts indicates that American Indians will once again pay a disproportionate price as the Administration seeks to "save the economy". We need to let the President as well as our Congressional representatives know the details of the impact that these cuts will have on our reservations.

On the basis of this preliminary information, tribes should prepare statements citing the specific impact of these cutbacks/eliminations on reservation employment, health, welfare, etc.

Please make special note of the proposed cuts in the following areas: The Community Health Representative (CHR) program and the Urban Health are once again due to be eliminated. Also, Title IV education programs are being reduced from $67 million to $1 million. The Administration has proposed a funding level of $62.2 million for tribal employment and training programs, down from the 1983 level of $68.9 million. In addition, the Administration is proposing only $22.4 million to fund grants out of the Office of ANA, Administration for Native Americans. For the first time, the Administration is proposing to have the Bureau of Indian Affairs actually administer the ANA grants as early as April '83. The Administration is also recommending that grants to all other than federally recognized tribes, be phased out over a 3-year period.

NCAI is now in the process of researching whether or not the proposed ANA transfer and the proposed Title IV rescission are in fact allowable.

Please note the new committee membership for the House and Senate Appropriation Committees, The Senate Select Committee and the House Interior & Insular Affairs Committee. Also note the hearing schedules for these Committees. It is of utmost importance for tribes to request time to testify before these committees if at all possible. If your tribe is not able to do this, submission of written testimony for the record is recommended. To request time to testify a letter must be sent to the appropriate Committee. (Addresses are enclosed)

Finally, please note the name of the NCAI staff person associated with each of the issue/budget areas. Since this is a preliminary review, you may have additional questions that you need answered regarding the enclosed budget. Feel free to contact our office at any time.

STAFF LISTINGS PER ISSUE AREA:

Linda Bossert:	All Health related issues; block grants
Athena Brown:	Economic Development
Theresa Carmody:	Interior budget: child welfare
Bill Leap:	All Education related issues
Nona Schaffner:	Rights Protection
Robin Shield:	Housing; Employment & Training; ANA

ncai indian education

The FY 84 FEDERAL BUDGET PROPOSALS in INDIAN EDUCATION : Review and Critique

These pages offer you an introduction to the federal proposals for the funding of Indian education programs in FY 84. Funding for other programs serving Indian students in elementary, secondary, and post-secondary schooling programs are also noted. My sources for the information are several: the Budget for the United States Government for FY 84 Appendix ; the Department of Interior and Department of Education's press releases regarding funding for their programs in FY 84; other tables provided by staff in each department; and insights from discussions with agency personnel, Congressional staff, and concerned citizens. The synthesis of the information and the comments expressed within this document do not necessarily reflect the opinion of any other party.

	FY 83 FINAL	FY 84 REQUEST

Indian Education in the Bureau of Indian Affairs:

I. Office of Indian Education

	FY 83 FINAL	FY 84 REQUEST
A. School operations.	177.5	174.947
1. ISEP formula	153.228	153.514

The request assumes transfer of 10 BIA schools in Alaska to state control, the closure of Mt. Edgecumbe school, and the closure of Concho, Wahpeton, and Intermountain. The Appendix notes that "consultation will continue with the affected (T)ribes" and that BIA will review any new data provided by GAO regarding these schools' operation. Decreases in the number of students to be served under ISEP because of the closings and transfers and because of overall decline in enrollments in BIA schools are cited as the reason for the nominal increase in the ISEP formula request.

	FY 83 FINAL	FY 84 REQUEST
2. Institutionalized handicapped.	2.390	2.390
3. Disaster contingency.	-----	-----

Funding has not been placed in this line-item since the FY 81 budget provided 0.25 for this prupose.

	FY 83 FINAL	FY 84 REQUEST
4. School board training.	0.80	0.025

The 25,000 requested will provide training manuals for Indian school board members to help them "... deal with the many new tasks and responsibilities they have assumed under PL 95-561". The BIA assumes that, in FY 84, "the schools will absorb any costs of instructional school board training within their existing budgets". T.a. and training will be provided through area and agency levels, funded through the "education technical support" item, below.

	FY 83 FINAL	FY 84 REQUEST
5. Student transportation.	10.071	9.958

Transportation costs are computed through use of a series of subformulas; reference is also made to the data obtained through the October and November transportation surveys.

The factors leading to reduction in the number of students to be served under ISEP also apply to explain the reduction in funds for student transportation.

6. Education technical support. 9.363 9.060

This includes field level technical support from area and agency offices as well as necessary MIS (management information system) activities. Distribution of funds is to be aligned with the functions and technical services actually provided within each area and agency office, as measured by "in-depth analysis of actual workload" experiences each fiscal year.

7. Interim formula implementation. 1.723 ——

In the past, iterim formula implementation funds have been used for new school and program starts and to support pre-kindergarten programs operated at certain sites. No funds are requested for this item in FY 84. Note that Interior had originally proposed to fund the pre-kindergarten programs at the FY 79 level as required under 25 CFR 39.130; OMB evidently did not go along with that suggestion.

B. Johnson-O'Malley Payments. 26.229 26.00

The request provides funding for JOM supplementary payments at a level only slightly reduced from that finally appropriated in FY 83. In previous years, funding was requested to cover tuition payments to public school districts educating eligible Indian students from out-of-state who reside in bordertown dormitories. The tuition payments program is being eliminated in FY 84 (1) because these students are now required to attend schools within their home state, and (2) because this now makes the students eligible recipients for local, state and Impact Aid -types educational support. Increases in Impact Aid funding have not been made to offset these new demands, however. And the proposed limination of Part A (and other) Title IV programs will place further strains on state and local school revenues.

C. Continuing Education. 51.477 48.121

1. Higher education scholarships. 27.157 26.043

These are now terms Higher Education student grants. Compare to the post-secondary education funding and changes in delivery system as proposed out of the Department of Education. BIA wanted an increase in the scholarship funds, consistent with what BIA identifies as Tribal priority. A decrease in funding was finally requested, however.

2. Special higher education programs. 1.892 1.692

This includes the graduate student grants through American Indian Scholarships, Inc. and the law school grants through the American Indian Law program at UNM. Again, requested increases in program funds were redirected into decreases.

3. Adult education. 4.008 3.713

The BIA's budget request notes that there has been a reduced tribal demand for this program in favor of other programs. Hence, the reduction.

4. Post-secondary schools. 8.181 6.392

Funding is requested for the operation of Haskell and for IAIA. SIPI will be operated under a contract with Albuquerque Technical-Vocational Institute with student funding coming through BIA's adult vocational training program budget line (pending the reported findings of the special taskforce looking into the whole SIPI question). Adding funds for SIPI back into the post-secondary budget line would still result in a loss in funding in this area, when compared to the funding appropriated in FY 83.

5. Tribally Controlled Community Colleges Assistance Act 10.239 10.281

The BIA's budget request notes: " ... if appropriations are not sufficient to pay the full amount to which the eligible community colleges are entitled, then the available amount will be ratably (sic) reduced for all community colleges".

Commentary: Overall, BIA's Indian education program funding shows a loss of 15.56 million, FY 83 to FY 84. 9.35 Million of this amount can be traced to the special, one-year payment made to assist in the transfer of the BIA schools in Alaska to state control. The remainder (rounded to nearest figures, so the sums are not exact) is distributed as follows: School operations loss, - 2.5 million; Johnson-O'Malley loss, - 0.2 million; and continuing education loss, - 3.2 million.

Also of interest are some comparisons between BIA and Interior's budget request as passed forward to OMB, and the budget request which OMB and the Administration finally released to the Congress. Let me merely note one contrast: BIA and Interior proposed greater reductions in School operations funds than OMB finally allowed. And BIA and Interior pressed for increases in Continuing education area, increases which OMB decided to disallow. I think the contrast is worth noting as it suggests what the Administration sees as BIA's proper role in Indian education — services to students in on-reservation school or attending public schools on or near reservations; and, equally importantly, services to students in elementary and secondary grades. These programs received lower funding reductions than did the BIA funding in the post-secondary and continuing education area. Remember this, when the Administration's treatment of Title IV funding, and rationale for the elimination of that program is reviewed.

II. Economic development and employment.

A. Direct employment and vocational training. 27.554 27.641

This program, termed "employment assistance" in last year's BIA budget request, is approx. 40% of the total funds requested for economic development purposes in FY 84. Adult vocational training and direct employment were funded out of this line in FY 83. Remember that in FY 84, support for students attending SIPI is also to be absorbed out of this budget line. Note that the funds for FY 84 have not been increased to offset for the increased demand. In some cases, this may mean that a Tribe will be forced to choose between operating a local program or supporting Tribal members who want to attend SIPI.

III. Construction 14.6 14.6

A. School construction.

14.6 of the 50.6 requested for construction in FY 84 is to be used for educational purposes -- specifically, the construction of the junior/senior high school at Hopi. This is the same school proposed for construction in the FY 83 budget; but no action had been taken on the request as of January 25, 1983. See and compare to school construction under Impact Aid, below.

Indian-related Education in the Department of Education:

I. Office of Elementary and Secondary Education

A. Compensatory education for the Disadvantaged (Chapter I) 3,173.1 3,013.9

Chapter I accounts for 23% of the Department's total budget in FY 84. Evaluations show that Chapter I is meeting its goals and that Chapter I programs are successful. The Administration proposes to introduce distribution of these funds through use of a voucher system in FY 84; Secretary Bell notes that such a program will "... expand opportunities for parents of educationally deprived children to choose schools that best meet their needs". Legislation for the vouchering system will appear. How funding of Title I programs (as they once were termed) in BIA schools will be affected by a vouchering plan is not known at this time.

Decreases in Chapter I funding for migrant education, for state-agency handicapped programs, for state-administered programs for neglected and delinquent students, and in the funding states are given to operate Chapter I programs are proposed. Migrant GED programs, funded elsewhere in the Department are to be eliminated.

B. Impact Aid. 480.20 465.00

Payments at 100% for 3(a) students are proposed, if s school district has 20% or more students who live and whose parents work on federal land (or, in the instance of military students, whose parents are on active duty in the armed services). No payment for 3(b) students is planned. Funds for disaster contingency are not requested, since there are sufficient funds from FY 83 to carry over and meet any demands arising in FY 84. Funding for three construction projects are requested, all of which are located on Indian lands "where the need is greatest".

Specific funding requests are as follows:

Section 3(a) payments	435.0	446.0
Section 2 payments	10.0	9.0
Disaster contingency	10.0	-----
Construction	20.0	10.0

The FY 83 funds have been adjusted downward from the actual appropriation; the Administration now proposes a 5.0 million recission in the FY 83 Impact Aid funds, the cut being made in section 2 payments exclusively.

C. Special programs and populations

1. State block grants (Chapter 2). 462.4 450.65

Proposed for elimination from the Chapter 2 block grants are a series of programs serving "special populations": Womens' educational equity, Follow through, some Territorial educational assistance, career education, law-related education, and biomedical sciences education programs. The same list was proposed for elimination in FY 83, but funding was still provided by Congress. This year, like last year, the Department claims that "most of these activities can be ... supported by States and local school districts from their block grant funds; hence additional federal monies to fund these projects are not necessary. Remaining funds are to be used as SEA's determine.

2. Secretary's discretionary funds. 28.765 28.224

The Secretary uses these funds to support "specific programs of national or regional significance". Grants are made directly from the Secretary's office to the eligible recipients.

3. Mathematics and science education. n.a. 50.0

A new math/science block grant component is proposed for Chapter 2, to help the States procide strong math and science education for America's young people. States may use the funds to train math science teachers, or to assist community efforts to upgrade teacher skills. Legislation for the program has already been introduced by the Administration. So far, neither Tribes, Tribal education programs, or BIA are eligible to receive these funds.

D. Title IV, Indian Education Act. 67.0 1.0

Title IV and the OIEP are to be phased out in FY 84. This starts w/ a 13.0 million recission of funding appropriated for in FY 83. (See below). The FY 84 request provides enough funding to close out the remaining grants and for one final meeting of the NACIE.

The break-out of the funding for Title IV programs is as follows:

	FY 83 actual	FY 83 recission	FY 84 request
Part A	49	36	——
Part B	13	10	——
Part C	4	4	——
Admin.	3	3	1.0
TOTAL	67	51	1.0

The Administration explains the termination (their word) of this program in the following way:

> In concert with the Administration's overall policy regarding separate funding for Indians not on reservations, we are proposing to terminate assistance under the Indian Education Act. Indian students and adults will continue to to be eligible for services under other programs such as Chapters 1 and 2, Vocational and Adult Education, Bilingual Education, Impact Aid, and all Student Aid programs. Services to federally recognized tribes living on or near reservations will continue to be provided by the Bureau of Indian Affairs, in recognition of the special relationship between the Indian tribes and the federal government.

Whether the White House Policy statement intended to restrict federal services solely to on-reservation contexts remains to be determined. You will notice, moreover, that funding requested for Chapters 1 and 2, for Vocational and Adult Education, for Bilingual Education, for Impact Aid and for Student Aid programs has not been adjusted upwards, to offset the increase in demand which the proposed termination of Title IV will bring about. BIA's education budget certainly cannot be expected to absorb additional demands, under the circumstances outlined in the previous section.

II. Office of Bilingual Education and Minority Language Affairs

A. Title VII, ESEA (Bilingual Education Act). 134.371 92.034

Changes are to be proposed in the legislation, to allow greater flexibility at the school district-level. This would let the school districts design projects which directly meet their students' school-related language needs. New legislation would allow for and encourage a broad range of program options in language instruction, including use of programs where all instruction is provided in English and none is given in or through the ancestral language. Stronger roles for the state-level education authorities (SEA's) are also to be encouraged by the legislation. Overall flexibility and efficiency would allow more effective use of funding than currently is the case; hence the proposed reduction in funding for FY 84, a reduction almost identical to the level the Administration requested for FY 83. Congress voted substantially more funding for FY 83. Now the Administration proposes a recission in the FY 83 funds, cutting the FY 83 appropriation from 134.371 to 92.010 (a loss of 42.0 million). The recission brings the FY 84 request in line exactly with the amount of funding Title VII will have to spend in FY 83. And that makes the FY 84 request all the more serious, where local language services are concerned.

Reducations in services and projects, required by the recissions in the FY 83 budget and the cuts in the FY 84 proposal, include: elimination of the desegregation grants (awarded primarily to urban, multilingual contexts) and termination of the materials development centers. Materials development can be handled through the work of a smaller number of "super-centers",which expand on the work done by the regional resource/service centers in previous years.

B. Bilingual vocational education. 7.352 2.50

Funding for Bilingual Vocational Education has come through the appropriation given to the Vocational Education Act, even though the funds (and the programs they support) have been administered through OBEMLA. The Administration proposes legislative changes which would treat bilingual vocational education as a special section of Title VII, ESEA. , suggesting a shift in the emphasis of such programs from vocational training to language-related instruction. The reduction in funding request for FY 84 reflects this shift, in part; a lesser demand on these funds is now expected. The reorganization of the Vocational Education Act itself, giving more freedom to the states to design their own vocational programs, will mean that the states can assume more responsibility for providing bilingual vocational services, if a need for such programs is recognized within the state,

III. Office of Post-Secondary Education.

A. Student financial assistance.

1. Work-study	540.0	850.0
2. Direct student loans (NDSL)	178.56	———
3. Pell Grants	2,906.8	1,062.3
4. Guaranteed student loans	2,75.4	2,658.3

At stake here is a new commitment by the Department of Education to support of post-secondary education. Secretary Bell describes it as :

> ... an approach to student financial aid which emphasizes the self-help efforts of needy college students to restore the traditional roles of students and families in meeting college costs and to provide sufficient Federal aid to help overcome remaining financial barriers.

The key phrase is "selfhelp efforts". Self-help in this instance works like this: 40% (minimum $800) must be paid toward the costs of college education by the student and/or his family before any federal assistance can be obtained. Federal work-study support is increased, to create more opportunities for "self-help" jobs. Guaranteed student loans and Directl Loans funding are decreasing, since lower demand for their funds will be expected under this system. Pell Grant funding is decreased in part, for the same reason. But Pell Grants are now to be combined with SEOG' and SSIG funding, to create a self-help supplemental package, providing additional money as needed to meet college costs after family self-help dollars and federal funds have been coordinated.

Another part of the self-help plan is the Administration's "education savings account" plan. Families may open savings accounts specifically for their children's college education. Interest on the savings is tax-free. IRS must be informed when money is withdrawn from the account to pay for college education. Withdrawals for other purposes eliminate the tax-free status of the account.

B. Minority post-secondary assistance.

1. Institutional Aid (Title III) 130.0 134.0

This includes 45.0 million in FY 84 specifically for the historically Black colleges. The FY 83 level is slated for an increase of 4.0 million, and the historically Black colleges are due to received 42.0 million of the adjusted FY 83 amount (134.0).

2. Special programs for the Disadvantaged 154.7 35.0

The FY 84 reduction is justified because, as of FY 84, these funds are to be ade available only to colleges with 50% or more minority enrollments. The Department refers to this as evidence of the Administrations "commitment to assisting disadvantaged college students ".

C. FIPSE 11.71 6.0

Regulations are to be changed to require a direct matching contribution from the institutions receiving FIPSE funding. The reduction in federal fundings does not therefore mean a reduction in FIPSE services, or so they argue.

IV. Office of Vocational and Adult Education.

A. Vocational Education	812.600	7.161
B. Adult Education	93.569	——

These programs, in effect are being phased out in FY 84, to be replaced by funding through a new Consolidated Vocational and Adult Education Act to be proposed to the Congress this spring. Funding for that program looks like this:

C. Consolidated Vocational and Adult Education Act	——	492.839

The new legislation allows federal vocational education and adult education funding to be block-granted directly to the states. Then each state designs and funds the kind of program(s) which best meet the vocational and adult education needs of their citizens. The status of the Indian "set-aside" is not clear. Under similar legislation introduced last spring, a 10% discreationary line-item, to be used at the Secretary's discretion, was included and Indian programs could be funded out of that amount. Funding was optional, not required, under that plan.

The Administration explains the reduction in overall funding levels — 908.169 in FY 83, compared to 500.00 in FY 84 — in this area by reference to the high level of "overmatch" between state and local funding in this area. That vocational and adult education is not a federal educational priority is also implied by their proposal.

V. The Tuition tax credit plan.

The Administration is proposing to let parents treat as tax deductions the tuition they pay to allow their children to attend private, non-profit elementary and secondary schools. 50% (up to $ 100) of the tuition paid in FY 83 can be deducted. The $100 limit increases to $200 in FY 84 and to $300 in FY 85 and thereafter. The Administra-defends this proposal in the following way:

> A tax relief measure is necessary as a matter of equity if (working) families, most of whom have incomes of less than $25,000, are to continue to be able to make choices about education.

Such defense is needed, you recall, given the strong opposition to tuition tax credit in any form voiced by the public school lobby in FY 83 and in previous years. Tuition tax credit was a campaign promise of President Reagan's; he fulfills the promise by having legislation for it introduced in FY 84.

VI. Federal Support for Libraries.

The Administration announces through its FY 84 budget request that support for public libraries services and for inter-library cooperation should now rest at the state and the local levels. Such support is more properly the responsibility of state and local authorities. not federal authorities. Therefore, the Administration makes no request for funding for libraries in FY 84.

VII. Status of the Department of Education.

The section of the Budget Appendix describing federal education activities in FY 84 begins with these words:

> The education activities included in the following accounts will be proposed for reassignment to appropriate executive departments and agencies pursuant to reorganization legislation to be submitted at a later time.

This is why the education budget is described in terms of activities and not in terms of a departmental budget. The Department itself comments as follows on this issue:

> The President maintains the belief that education is primarily a State, local and private responsibility and that Federal involvement in education has, over the last twenty years, grown too broad in size and scope. For this reason, the President will continue to consult with the Congress to develop a proposed structure that is more appropriate to the Federal role.

The phrasing is much more optimistic and much less aggressive than last year's open assertion that the Department is to be terminated. The Administration goes on to note that the proposal has not been worked out in detail; so there is room for discussion and negotiation from all interested parties.

Commentary: I have made several comments about specific proposals and their effects on Indian education services throughout this section. The situation is very serious, viewed as a whole. Tribes remain ineligible for ANY of the Department's monies block-granted to the States. The FY 84 budget proposes more programs to be operated in terms of state-centered block-grants. State-centered block grants mean that states set priorities and determine eligibility of educational entities seeking funds under those priorities. Where Tribes and Tribal educational interests will stand under those circumstances is at best unclear.

The stress on "self help" in education is seen in several places: the reorganization of federal higher education support, for one; the tuition tax credit, for another. The proposals are interesting, but disregard the fact that federal services in education is a right where the Tribes are concerned; that right is violated when Tribes and Indian parents are forced to substitute their own funds for federal dollars.

Note that last year's debate on the administration of Title IV will not need to occur this year (at least not in the same form). The whole program is to be scrapped. Here, as elsewhere, reductions are made assuming that other programs will absorb the slack. The point is, the other programs (Impact Aid, Chapters 1 and 2) are not being increased to offset these new demands; and more seriously, Tribes have no assurance that the particular needs of their students will be addressed through services provided by these programs. Tribes can begin answering that question by reviewing whether they have received services in education through these programs in the past.

Indian education in Department of Health and Human Services

I. Head Start	989,00	1,051.00

Head Start projects will receive an additional 62.0 million to allow more students to be served by these projects. An additional 76.0 million has been added to the budget, to cover the costs of nutritious meals formerly paid for through a reimbursement from the Department of Agriculture. Some technical assistance and training services will still be funded out of OHDS; other monies formerly earmarked for training and t.a. purposes will be rolled into the regular Head Start budget in FY 84, to help offset the costs of inflation.

Justification of Program and Performance

Activity: Indian Services
Subactivity: Social Services

(Dollar Amounts in Thousands)

		FY 1983 President's Budget	FY 1984 Base	FY 1984 Estimate	Inc. (+) or Dec. (-)
A. Welfare Assistance Grants	($)	80,300	80,300	84,700	+4,400
B. All Other Social Services	($)	18,364	18,364	18,055	-309
	(FTE-P)	334	334	329	-5
	(FTE-T)	379	379	367	-12
Total Requirements	($)	98,664	98,664	102,755	+4,091
	(FTE-P)	334	334	329	-5
	(FTE-T)	379	379	367	-12
Distribution:					
Tribe/Agency Operations	($)	16,260	16,544	16,288	-256
Area Offices Operations	($)	1,684	1,400	1,347	-53
Central Office Staff Operations	($)	420	420	420	—
Other Indian Services Programs:	($)	80,300	80,300	84,700	+4,400
Welfare Grants	($)	(72,600)	(72,600)	(77,000)	(+4,400)
Indian Child Welfare Grants	($)	(7,700)	(7,700)	(7,700)	(—)

Welfare Grants

Authorization: 25 U.S.C. 13 (The Snyder Act of November 2, 1921) is the basic authority under which the Secretary provides services to federally recognized Indians. It is under this authority that Welfare Grants are provided.

Objective: To provide:

1. General assistance grants to eligible adult Indians and Indian families;

2. Child welfare assistance for Indian children in need of care outside their homes.

3. Miscellaneous assistance for indigent burial service and emergency/ disaster needs.

4. Indian Child Welfare Act Title II grants to Indian Tribes for family and child services programs.

Base Program: Welfare assistance grants are provided to tribal members living on or near reservations and in tribal jurisdictions in Oklahoma only if the recipient establishes need and cannot obtain assistance from state or local public welfare agencies. The amount of assistance provided to an individual or family is determined by applying the assistance standards of the state in which the recipient resides.

In the Senate Committee Report on the FY 1982 Supplemental, language was provide which proposed that the Bureau reduce payments in those States which pay less than 100 percent of the State-established standard of need. It directed that Bureau payments shall reflect the same percentage reduction as applied by the States. This will require a revision of the Bureau's Social Service regulations in FY 1983 to accommodate the change.

Four types of grants/contracts are available to tribes and tribal members. They are:

A. General Assistance - Consists of (1) direct financial assistance to families and individuals to pay living expenses for those whose income is below state standards, (2) non-medical institutional or custodial care for incapacitated adults, (3) contracts with tribes to run Tribal Work Experience Programs (TWEP). General assistance recipients who work on tribal projects under TWEP receive $55 per month for work related costs over their welfare entitlement.

B. Child Welfare Assistance - Provides for the costs of care for children who are abandoned, neglected, or handicapped. Funding is to pay for the costs of (1) family foster home care, (2) small group care, or (3) residential care in institutions, if required.

C. Miscellaneous Assistance - Pays for the burial expenses of Indians who die indigent or whose survivors cannot afford funeral expenses. This fund is also used to help tribes meet costs associated with natural disasters and related emergencies.

D. Indian Child Welfare Act Grants - As authorized by P.L. 95-608, grants funds to Indian tribes to establish and operate Indian child and family service programs such as: a system of licensing or regulating Indian foster and adopti homes; facilities for the counseling and treatment of Indian families and temporary custody of Indian children; homemaker services; day care; afterschool care, recreational activities; employment training of tribal court personnel; adoptive subsidies; legal representation; and other such projects.

The amount of $7.7 million for Indian Child Welfare Grants for FY'83 does not reflect the additional 2.0 million appropriated by Congress for this purpose in FY'83. Once again the Administration is proposing not to fund child welfare programs for Urban or Non-Federally recognized grantees

INDIAN RIGHTS PROTECTION
FY 84 FEDERAL BUDGET
PROPOSALS

This report summarizes and comments on the Department of Interior proposed funding level of Indian Rights Protection program for FY 84.

The federal government as trustee for Indian people has a fiducia responsibility to manage and protect Indian property and natural resources. The three offices within the government that are responsible for carrying out the trust responsibility are the BIA, the Department of Interior Solicitor, and the Department of Justice. These offices provide legal representation or advice, technical support services and a problem-solving staff to resolve the seventy (70) lawsuits that have been filed to date under this program. The program is broken down into subactivities described below. Funds under each subactivity are allocated on a priority basis, based upon the relative importance and urgency of the controversy being negotiated or litigated. The majority of cases being funded under the program are water cases. The present administration has put a high priority on settling outstanding Indian water claims. (A Water Policy Advisory Group was formed by Secretary Watt, Dept. of Interior, to spearhead negotiated settlements for more than fifty (50) outstanding Indian water claims.) The administration's preferenc for Indian Tribal governments to assert water rights, or other challenged rights, through negotiation has led to a conflict of interests between the government as trustee and a number of tribal governments whose interests may best be protected through litigation of their rights.

Following is an anlaysis of each of the subactivities under the Indian Rights Protection program, and the effect the proposed FY 84 funding level will have on adequate representation of tribal government interests.

TRUST RESPONSIBILITIES:	FY 83 FINAL	FY 84 REQUEST
I. Indian Rights Protection		
A. Litigation Support	1,762	1,762

This subactivity provides funding for information and evidence gathering required for litigation involving Indian rights issues, where the federal government, or the Indian tribal government, defends the challenged rights. Despite the approximately $5 million worth of funding requests by tribal governments under this category for FY 83, it was not increased for FY 84.

	FY 83 FINAL	FY 84 REQUESTS

Maintaining this program at the FY 83 level will have a drastic effect on the settlement of water cases for the following reasons.

1. This administration's push to settle Indian water claims through negotiation is slowing down while tribes await a decision by the Supreme Court on whether federal jurisdiction is the proper forum for litigating Indian water rights. If there is a favorable decision, tribes may prefer to litigate rather than negotiate settlements.

2. Perhaps as a reflection of this slowdown, the Department of Interior has reduced the Water Resources subactivity that falls under the Natural Resources budget.

NATURAL RESOURCES DEVELOPMENT:

Water Policy Implementation	4,950	3,642

This water program provides funding for technical studies on reservations to assist tribes obtain favorable negotiated water settlements, and for water development plans. Under this program, if a tribes decides to stop negotiations and pursue litigation, then the funding for their technical studies will have to come under the Litigation Support category within the Indian Rights Protection program. In FY 83 there were approximately $3,700 requests for water policy implementation. If more tribes opt for litigation, the competition will be intense under the Litigation Support category. Tribes are very dependent on funding for technical studies in order to adequately protect their water rights. By not increasing the Litigation Support category, tribes will have to delay resolving their water rights for many more years because they will not be able to precede with litigation until they can afford to complete technical studies that are necessary to adequately protect their interests.

B. Attorneys Fees	750	1,500

This subactivity provides funds for private attorneys representing tribal interests when there is a conflict of interest with federal government representation. Tribal requests under this category in FY 83 were approximately $1,900. The proposed increase will not even accommodate all of last years requests, let alone allow for the possibility of additional requests if there is a favorable Supreme Court decision to Federal jurisdiction, mentioned above.

	FY 83 FINAL	FY 84 REQUESTS
C. Unresolved Indian Rights Issues	630	2,000

This subactivity initially addressed a broad spectrum of rights issues not under litigation. The emphasis is suppose to be on obtaining satisfactory resolution, usually by negotiated settlements of issues addressing, among others, water rights, minerals entry, trespass, title questions, renewable resources, pollution problems, and activities which endanger reservation persons or property.

Do not be misled by the large increase in this category. The $1,370 increase was made in order to handle an additional 8,000 cases (approximately 900 issues) from the Statute of Limitations category that has been proposed to be phased out in the FY 84 budget. During FY 83 there were tribal requests for approximately $1,274 under this category. These requests will now have to compete for priority funding with the 8,000 additional Statute of Limitations claims.

D. Statute of Limitations	2,000	---

The funding authority for resolving the Statute of Limitations claims has been transferred to the Unresolved Indian Rights Issues category. Obviously, this will result in less funding to quickly resolve these claims.

E. Hunting and Fishing Rights	1,658	2,000

Most of the money in this subactivity is for technical data collection to be used for litigation support of hunting and fishing rights, and to develop management and enforcement capabilities. The increase under this category is reflective of FY 83 tribal requests.

F. Tribe/Agency Operations	2,027	4,891

The increase under this subactivity reflects this administration's emphasis to provide greater flexibility and involvement of the tribes in the operations that directly affect the protection and management of their rights and natural resources.

FISCAL YEAR 1984 INDIAN HEALTH BUDGET NEWS

(For more information, please contact Linda Bossert)

Indian Health Services

Despite congressional refusal to go along with similar requests the past two years, the administration has once again proposed that the Community Health Representatives and Urban Indian Health programs be eliminated. Also proposed for elimination, despite Congress' clear interest in their continuation are the health professions recruitment projects and new health scholarships included under the Indian Health Manpower portion of the Indian Health Service budget.

According to a statement issued by Health and Human Services Secretary Richard Schweiker on January 31, the administration's total request of $720 million is an increase of $22 million over the FY 1983 program level of $698 million. The administration has assumed that some $68 million of this total will be met by IHS collections of reimbursements from private health insurers of Indian people served at IHS facilities and from Medicare and Medicaid.

Using the same argument posed last year, the administration dubbed the CHR program, "primarily a non-patient care activity." Although the administration's figures show that elimination of the program would result in a $25 million cut, in FY 1983 the program received a $25 million line item appropriation with $4 million in addition coming from the IHS hospitals and clinics budget to finance the Emergency Medical Services portion of CHR activities. The administration has asked that this $4 million be eliminated as well. Although approximately the same amount of money has traditionally supported the EMS activities performed by CHR's, the administration instead called the appropriation a one-time "special emphasis program."

The administration also repeated its rationale in seeking discontinuation of the urban Indian health program. FY 1983 appropriations report language regarding the program stated "The administration...also stated that the projects may be funded as needed, through the Department's health block grants, or other services. However, testimony before the committee made it clear that health block grant funding will not be available unless the project had received prior year funding from the block grant programs, which none had received..." Nonetheless, the President's budget proposes elimination of the urban program under the assumption that "non-reservation Indians will be eligible for services funded with alternative resources, such as block grants to states and other state and local funding for health services."

And although IHS' health manpower situation is reaching crisis proportions, the President's budget seeks a reduction of $1.5 million in the Indian health manpower program through eliminating the health professions recruitment programs (INMED and the MPH programs at the universities of California, Oklahoma, North Carolina, and Hawaii) as well as providing no new scholarships (although those to students already pursuing a degree would be continued).

Indian Health Facilities

The only facilities money requested by the administration would provide $200,000 for repairs to the IHS hospital at Lawton, Okla. Neither the President's budget justification nor Secretary Schweiker's statement offer an explanation as to why no money was requested for new hospitals and clinics. However, departmental officials have stated that no funds were requested for the three hospital locations previously appropriated planning and design money (Sacaton, Ariz., Rosebud, S.D., and Crownpoint, N.M.) because the projects are still in the planning stage. (Meanwhile, the tribes involved have complained that the fact they are still in the planning stage is not the result of tardiness on their part, but rather the slowness with which the department has made their planning funds available once they were appropriated.)

A comparison of FY 1983 IHS budget figures and the amounts requested by the President for FY 1984 is as follows:

Indian Health Services (in Thousands of Dollars)

	Amount Available FY 1983	FY 1984 President's Request
Clinical Services:		
Hospital and health clinic program	$387.6	$426.4
Dental health program	21.0	23.2
Mental health program	8.5	9.4
Alcoholism program	21.2	22.5
Maintenance and repair	8.3	8.3
Contract care	130.5	139.2
Preventive health:		
Sanitation	16.1	16.5
Public health nursing	8.9	10.0
Health education	2.5	2.7
Community Health Representatives	25.0	--
Immunization	.5	.5
Urban health projects	6.0	--
Indian health manpower	5.8	4.2
Tribal management	2.6	2.6
Program management	53.2	54.6
Indian Health Facilities		
Hospitals: new and replacement	6.7	--
Modernization and repair	--	.2
Outpatient care facilities	--	.2
Sanitation facilities	14.0	--
Personnel quarters	14.0	--

CORRECTION - FISCAL YEAR 1984 INDIAN HEALTH BUDGET NEWS

To correct the statements on pages 22 and 23 regarding Indian health scholarships, the President has requested no new scholarships with the exception of $800,000 to provide for 70 nursing scholarships.

2/4/83

ADMINISTRATION BUDGET PROPOSALS FOR FY 1984

AREA: SOCIAL AND ECONOMIC DEVELOPMENT

AGENCY: HHS/OFFICE OF HUMAN DEVELOPMENT SERVICES (HDS)

PROGRAM: ADMINISTRATION FOR NATIVE AMERICANS (ANA)

The Administration is proposing $22.4 million to fund grants to Native American populations to help "achieve the goal of social and economic self-sufficiency." This level is a reduction of $3.8 million from the estimated level for 1983. In addition to the requested funding level, the Administration is proposing to have the Bureau of Indian Affairs actually administer the grants as early as April of 1983. The Administration is also proposing that grants to non-federally recognized Tribes be phased out over a 3-year period.

Total Requested for:

Financial Assistance Grants	$22,466,000
Training & Technical Assistance	$ -0-
Research & Demonstration	$ -0-

(dollars in thousands)

Budget Comparison:	1982 Actual	1983 Est.	1984 Est.	1983-84 Diff. (+/-)
Financial Assistance Grants	26,296	26,300	22,466	- 3,834
Training & Technical Assistance	975	1,000	-0-	- 1,000
Research & Demonstration	686	700	-0-	- 700

AGENCY: Department of Interior, BIA
Department of Transportation

PROGRAM: Construction

The Service is requesting $78.3 million for construction in fiscal1984, $80.8 million less than the fiscal 1983 appropriation. The proposed progam includes 36 projects in 29 areas which will upgrade water and sewer systems, improve fire protectionand electrical systems, rehabilitate National Park Service owned concession facilities, and preserve historic buildings. The amount of the fiscal 1984 request is less than the fiscal 1983 appropriations in part because no road related construction is included in the program. The Surface Transportation Assistance Act of1982 (P.L. 97-424) authorizes $100 million in fiscal 1984 for National Park Service road rehabilitaion and construction to be funded from the Highway Trust Fund. This Act also made $75 million in fiscal 1983. Congress appropriated $66.6 million to the National Park Service for road projects in fiscal 1983. Since these projects can now be funded from the Highway Trust Fund, the Administration is submitting a fiscal 1983 rescission with the 1984 budget for the road projects appropriated to the National Park Service. The recission amount will be $63.6 million, allowing $3 milion to remain with the Service for unbudgeted emergency fire costs incurred in fiscal 1982.

Taking into account the proposed fiscal 1983 rescission and the funds made available in the Transportation Act, the Service will have $167.5 million available for construction projects in FY 1983 and $178.3 million in FY 1984, an increase of $10.8 million.

For Indian reservation roads, out the Highway Trust Fund, $75,000,000 for the fiscal year ending September 30, 1983, and $100,000,000 per fiscal year for each of the fiscal years ending September 30, 1984, September 30, 1985 and September 30, 1986. On October 1 of each fiscal year, the Secretary shall allocate the sums authorized to be appropriated for such fiscal year for Indian reservation roads according to the relative needs of the various reservations as jointly identified by the Secretary and Secretary of Interior.

AGENCY: Department of Interior, BIA

PROGRAM: Economic Development Program and Employment Programs

The FY 1984 request is a net decrease of $3 million as compared to the FY 1983 budget level. Portions of this decrease are reflected in the reordering of local priorities for the Employment Development and the Credit and Finance program.

The request of $66.3 million for Self Determination Services includes an increase of $9.4 million over the FY 1983 budget level. Included are increases of $6.4 million for Contract Support and $3.9 million for Self-Determination Grants. The Small Tribes initiative is continued at the first year level (FY83) of $5 million. The amount appropriated for FY 1982 is 2.5 million. The FY 1984 request includes a planned level of $10 million for continuation of the Bureau's FY 1983 Economic Development initiative, FY 1982 amount is $5 million.

The economic development initiative encourages development of tribal economies with less federal assistance and more dependence on the private sector for entrepreneurship and capital outlays. The small tribes initiative provides funds to small tribes for developing a "core management" capability to assist them in economic development and to carry out their governmental activities.

Small Tribes Initiative (Dollar Amount in Thousands)

	President's Budget FY 1983	FY 1984 Base	Estimate FY 1984
Small Tribes Management Initiative	$ 5,000	$ 5,000	$ 5,000

Objective: To provide small tribes (1,500 and less population) with core-management capability to enable them to administer tribal affairs and programs in a competent and responsible manner.

Base Program: The Small Tribes Management Initiative, started in FY 1983 with a $5 million dollar budget, is intended to assist all eligible tribes over a five-year period to establish and maintain sound core-management capability. Core-management capability may consist of administrative/business management, bookkeeping, and clerical functions.

This initiative is intended to assist small tribes to overcome administrative-management problems thereby allowing such tribes to exercise a greater degree of self-determination. Eligibility for participation in the small tribes management initiative program depends upon individual tribal population; indiviual tribal resources; tribal management needs as identified by audits and performance criteria; tribal geographic location factors and other factors pertinent to tribal need. For tribes with a population of less than 400, program funding is generally limited to those tribes which enter into a consortium with other small tribes in their area.

Core management grant funds may be used to supplement other available resources such as tribal income, self-determination grants or capacity building grants funded by other agencies.

Economic Development Program (Dollar Amounts in Thousands)

	President's Budget FY 1983	FY 1984 Base	Estimate FY 1984
Economic Development Program	10,000	10,000	10,000

Objective: Provides conditional grants to Indian tribes for the purpose of: (1) initiating business development of tribal resources; (2) encouraging non-federal investment; and (3) promoting sound business principles.

Base Program: The Economic Development Program begins in FY 1983 with a request of $10 million. The major purposes of these economic development grants are (a) to provide equity capital for the establishment or expansion of locally determined economic enterprises; (b) serve as an inducement when combined with a tribe's financial and other resources to attract private sector investment capital for the development of a tribe's resources; and (c) reduce tribal dependence on the federal government over the long term through economic development projects which contribute to a stable private sector reservation economy.

Specific economic development activities to be financially assisted are selected from tribal proposals generated by this program. In addition to economic feasibility priority criteria for selection include a financial commitment by the applying tribe, amount of leverage provided by non-federal capital, the financial responsibility and management capability of the proposed enterprise, the amount of employment and income generated and seperation of business management from tribal political processes. The $10 million will be used to make about 50 grants. The minimum grant will be $25,000 and the maximum grant will be $500,000.

Each grant is to provide no more than 25% of the projected capital of a given proposal, with the balance to come from the grantee and from non-federal sources. Higher leverage projects will be given preference.

The bureau will assess the potential success of each proposed enterprise by considering the attributes of the government, the reservation, the proposed management system, and the overall feasibility of the enterprise. Relevant data is to be collected and evaluated in order to analyze and improve the establishment and management of new or continuing enterprises. The Bureau will also provide technical assistance to grantees where necessary to help ensure success and to support the business and management acumen of Indian entrepeneurs. In addition, a portion of the requested funding will be used for assisting applicants in planning and evaluating the economic potential of proposed projects.

Examples of projects for which economic development funds could be awarded are: (1) energy resource mining ventures that would develop and utilize tribal natural resources; (2) the establishment of a tribally-owned and/or operated shopping center; (3) assembly plants which would utilize high labor requirements; (4) fishery processing operations; and (5) timber processing enterprises that would develop tribally-owned renewable resources.

Credit and Financing (Dollar Amounts in Thousands)

	President's Budget FY 1983	FY 1984 Base	Estimate FY 1984	Decrease
Credit and Financing	5,173	5,173	5,022	-151

Objective: To assist Indian tribes, Indian organizations, individual Indians, and Alaskan Natives to develop and utilize their own resources for business and economic improvement through business and economic development loans under the Indian Financing Act; and to assit them in obtaining financing from other sources for the same purpose.

Base Program: Unemployment and a lack of local businesses have resulted in most Indian reservations being areas of poverty. Tribes cannot mortgage their trust land as security for loans; and the lack of state jurisdiction over most reservations discourages private lenders from making loans to individuals. To help alleviate this situation Congress authorized programs to make loans for business enterprises at a reduced interest rate and to guaranty loans from the private sector to encourage further lending. SBA and FHA will participate in some of the lower risk loans. Program operations involve assisting Indians on or near reservations in obtaining financial assistance from banks and other financial lending sources in the private sector, including loans guaranteed under the Loan Guaranty and Insurance program; working with other federal funding sources on developing economic enterprises on Indian reservations; administering the Indian Revolving Loan Fund; providing assistance in the administration of tribal relending programs; providing credit assistance to Indian borrowers and former grantees; evaluating proposed investment ventures; and monitoring and collecting loans made by the Bureau.

It is estimated about 70 loans totaling $35.7 million will be made in FY 1983 and about 60 loans totaling $30 million in FY 1984 for business enterprises.

AGENCY: HUD

PROGRAM: Urban Development Action Grants (UDAG)

Section 119 of the Housing and Community Development Act of 1974, as amended, authorizes grants to cities and urban counties which are experiencing severe economic distress to help stimulate economic development activity needed to aid in economic recovery. Assistance may be provided to communities which meet minimum standards of physical, economic or fiscal distress; have demonstrated results in providing housing for persons of low and moderate income; and have demonstrated results in providing equal opportunity in housing and employment for low and moderate income persons and members of minority groups. The Housing and Community Development Act of 1980 amended Section 119 to include Indian Tribes as eligible entities to receive UDAG funds. The Budget proposes an appropriation of $196 million for FY 1984, which together with an estimated $224 million of unobligated funds deferred from 1983 and $36.0 million of recaptured funds, will result in 1984 obligations of $476 million.

Total Amount Requested:	$196 million
Deferred FY 1983 funds:	244 million
Recaptured funds:	36 million
Total Estimated for FY 1984	$476 million

The administration has requested no funds in 1984 for the economic development assistance programs administered by the Economic Development Administration. Funds for State and local community and economic development programs are available through grant programs administered by the Department of Housing and Urban Development. Specialized assistance for rural areas will continue to be available through the Farmers Home Administration.

AGENCY: Department of Commerce, Economic Development Administration

PROGRAM: Minority Business Development Agency

Appropriations through the Minority Business Development Agency for Indian Programs management and technical assistance in business development has remained at the same level of FY 1983 $1.6 million and FY 1984 $1.6 million.

AGENCY: Small Business Administration

In the budget proposals, SBA's local and state economic development company programs (known as the 502/503 programs) would be funded at $250 million, the same level as in FY 1983, but 2½ times the level of FY 1982. Proceeds of a Section 503 debenture shall be used to assist an identifiable small business concern to finance plant construction, conversion or expansion, including the acquisition of land, existing buildings and leasehold improvements.

The FY 1982 budget proposals call for funding SBA's small business investment company program at $201 million, again the same level as in FY 1983 but $40 million more than in FY 1982. Small business investment companies, licensed and regulated by SBA, extend equity financing to promising small companies and thus enable those small firms to increase employment.

Small Business Administration (continued)

The budget will also enable SBA to continue its broad support to minority small businesses; SBA's assistance to such companies will total $492 million in FY 1984.

The budget proposals total guaranteed business loan authorization at $2.4 billion, again the same as FY 1983. The FY 1984 budget proposals would eliminate business loans made directly by the Agency, except for a $41 million direct loan authorization to help those small business investment companies which make loans to minority-owned small firms.

Funding of the 7(j) program will increase by $5 million above the current year's level during FY 1984. This $15 million will be used to provide professional consulting to minority businesses in situations requiring professional expertise. The major protion of 7(j) will be used to assist 8(a) program firms and to prepare firms for competitive existence after leaving the program. 7(j) consulting provided to non-8(a) firms will assist direct loan clients and minority-owned firms requiring professional consulting expertise.

Business Development Expense (BDE) is utilized to provide 8(a) firms with funds to purchase equipment that is necessary for performance of a specific 8(a) contract and is also utilized to pay for material costs, start up, learning and under-absorbed indirect expenses, some or all of which are higher than those normally incurred by competitive firms.

	ACTUAL FY 1982	ESTIMATE FY 1983	ESTIMATE FY 1984
No. of Contracts	3,970	4,600	4,600
Value of Awards	$1,892,000,000	$2,300,000,000	$2,300,000,000
Amount of BDE	6,168,768	20,000,000	15,000,000

The number of contract awards in FY 1983 is estimated at 4,600 which is an increase from 3,970 for FY 1982. The projected increase in contracting will not detract from MSB's concentration on program development. This should result in an improved quality of 8(a) firms with more substantial contract opportunities to be utilized for development purposes.

8(a) Company Program Portfolio: Under the Agency's 8(a) program, SBA serves as prime contractor for federal goods and services and then subcontracts to socially and economically disadvantaged small firms, most of which are minority owned. During FY 1982, the SBA portfolio of approved 8(a) firms was 2,225. During this same period 1,350 firms received 3,970 contracts for approximately $1.9 billion. The anticipated level of 8(a) program subcontracting is estimated at approximately $2.3 billion for FY 1983 and FY 1984 from an active company portfolio of 1,900 companies. Presently, one out of every two companies considered for 8(a) program participation is approved. New entries to the 8(a) program during FY 1984 will emphasize manufacturing and construction (general contractors) firms.

Development Assistance 7(j) Program: Section 7(j) of the Small Business Act provides for financial assistance to public organizations to provide technical or management assistance to firms determined to be socially and economically disadvantaged.

	ACTUAL FY 1982	ESTIMATE FY 1983	ESTIMATE FY 1984
# of Businesses Assisted	3,420	6,840	10,260

(7(j) continued	ACTUAL FY 1982	ESTIMATE FY 1983	ESTIMATE FY 1984
$ Value of Assistance	$5,797,399	$10,000,000	$15,000,000
# of Task Orders	3,420	6,840	10,260

One half of the $15 million requested for FY 1984 will be set aside to assist only those firms determined to be owned and controlled by socially economically disadvantaged individuals. FY 1983 and 1984 will see an increase in the number of minority small businesses assisted and the quality of assistance provided.

Procurement and Technical Assistance: The basic objective of the Procurement and Technical Assistance program is to assure small business a fair share of Government procurement and sales through the Prime Contracts Assistance, Natural Resource Sales Assistance, Subcontracting Assistance and Certificate of Competency programs. The Government will award an estimated $140 billion to U.S. Business firms in FY 1984.

	1982	1983	Change	1984
Procurement and Technical Assistance	$ 9,242,484	$ 9,912,000	+ $191,000	$ 10,103,000

Management Assistance: The SBA's Management Assistance Programs are designed to address the predominate cause of most small business failures - inadequate managerial expertise.

	1982	1983	Change	1984
Management Assistance	$ 29,444,691	$ 34,450,000	- $3,896,000	$ 30,554,000

2/3/83

ADMINISTRATION BUDGET PROPOSALS FOR FY 1984

AREA: HOUSING AND COMMUNITY DEVELOPMENT

AGENCY:- DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PROGRAM: INDIAN HOUSING

NEW PROGRAM

Legislation will be proposed for a new Indian housing program which will involved FHA mortgage insurance, grants to assist in the development and financing of housing and water and sewer facilities, and housing payment certificates to reduce housing costs for eligible low-income Indian families. The proposed system is a departure from the present public and Indian housing programs and will supplant the current method of providing Indian housing which currently relies on coordinating the efforts of HUD, BIA and IHS. The proposed program, entitled the "Indian Housing Grants" program, would provide eligible Indian Tribes, as the administering agency, with the flexibility to use funds provided as "front-end write downs" to reduce housing development costs; for 15-year housing payment certificates attached to the unit constructed to assist lower income families in leasing rental units from the Tribe; and for grants to provide water and sewer facilities for the newly constructed housing. In addition, legislation will be proposed to facilitiate private investment in housing on reservations by make FHA insurance available without regard to the restrictions on marketability of title. The program is designed to assist both lower income and higher income Indian families and may complement Indian-related activities under the Community Development Block Grant Program (CDBG).

Total Budget Authority Requested: $76.0 million
BREAKOUT: $38.0 million--Front-end grants for 1,500 units
$26.8 million--Housing Unit Construction Write-downs
$11.3 million--Infrastructure costs
$38.0 million--Rental Subsidies (certificates)
Estimated # of Units to be Funded: 1,500

PROGRAM: OPERATING SUBSIDIES FOR PHAs

MAJOR CHANGE

The 1984 Budget proposes an appropriation of $1,636.5 million for the payment of operating subsidies to PHAs. In addition, a supplemental recission proposal of $69.0 million is being made for 1983 because the Administration has estimated that resources available for 1983 are in excess of requirements. The 1983 program is expected to be lower than had been estimated earlier because of the decline in the rate of inflation in Public Housing operating expense costs.

The Public Housing operating subsidy estimates for 1984 reflect a proposal for a major reform in the method of calculating operating subsidy requirements. The major elements of the proposal are:

Market-based Operating/Replacement System. The revised funding formula determines operating subsidies and capital improvements requirements based on local Fair Market Rents (FMRs) for existing housing.

- The amount calculated for each Public Housing units for both operating costs and on-going capital improvements would be based on the amount needed for the same purposes for modest, standard quality private rental housing for each locality--the FMR.

- The funding level for operating expenses and capital improvements for each PHA will be the total of the FMRs for the PHAs units minus the lesser of the Annual Contributions Contract debt for the units or 20% of the FMRs. This proposal to "cap" the debt service that is deducted from the FMRs is to prevent the funding system from penalizing PHAs that have substantial amounts of new or extensively rehabilitated projects.
- On the other hand, to avoid windfalls for PHAs, a "cap" also would be be placed on PHAs which would receive more funding under the new system than their funding under the old system plus an amount estimated as necessary for an annual replacement allowance.
- The formula includes a family unit high-rise adjustment. Subsidies for such units will be based on 118% of the otherwise applicable FMR.
- The replacement allowance calculated to provide funds for future capital improvements can be used either for operating or capital costs in order to provide essential management discretion in budgeting for maintenance needs.

Transition Modernization. A transition modernization program is proposed in order to allow immediate capital improvements to projects to correct substandard conditions and reduce operating costs, including those associated with utilities.

- Since the amount calculated under the new method will include provision for future capital improvement needs, the Modernization program will be phased out by 1988.
- Public Housing Agencies then will have flexibility and discretion in allocating resources available to them between operating and capital cost needs.

Reduced Subsidies. A PHA that would receive reduced operating subsidies, not including the replacement allowance, as a result of the new system, would have annual subsidy reductions limited to 5% of the total funds available for operations until the FMR subsidy level is reached.

The new method for calculating requirements replaces the present Performance Funding System (PFS) which is based entirely on historical spending levels and contains not external standards for what it should cost to operate Public Housing. The new system places limits on Federal costs for Public Housing which are based on private market rents. The Administration is proposing this to ensure that Federal subsidies for each low income project are at the lowest cost consistent with providing good housing.

Tenent Rent Payments. The Administration is reproposing legislation for 1984 to provide that Food Stamps be included as part of the definition of income in determining tenant rent contributions and to raise to 20% the 10% limitation on rent increases contained in the Housing and Community Development Amendments of 1981. Impact of these proposals has been reflected in the Operating Subsidies estimates for 1984 as well as continuation of measures already implemented. These include increasing the maximum allowable rent contributions to 28% of income in 1984 for existing Public Housing tenants to reflect the third-year increment of increasing the rent income ratio to 30% of income by 1986 and a 30% rent income ratio for new Public Housing tenants.

Total Proposed Recission for FY 1983: $69.0 million
Total Amount Requested for FY 1984: $1,636.5 million

PROGRAM: HOUSING COUNSELING PROGRAM

MAJOR CHANGE

The Administration is proposing no new funds for this program for 1984. HUD, however, will continue to certify and/or recertify local public and private nonprofit agencies that provide HUD-approved housing counseling assistance.

Total Budget Authority Requested: $ -0-

PROGRAM: INDIAN AND ALASKA NATIVE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Section 103 of the Housing and Community Development Act of 1974, as amended, authorizes the Secretary of HUD to make CDBG grants to Indian Tribes. The Act also provides for the Indian CDBG program to be funded directly and entirely out of the Secretary's Discretionary Fund (SDF).

MAJOR CHANGE

A major legislative proposal for FY 1984 is to add new housing construction as an eligible activity under Title I of the Act. and expand the level of Block Grant assistance to be made available to Tribes. The proposal would give Block Grant recipients the discretion to determine the extent to which funds are used for housing construction or community development activities. In addition, the increased level of funding is an integral part of a new initiative by the Administration to better meet the needs of Tribes. In 1984, funding for Tribes is proposed at $75 million--$44 million more than currently estimated for 1983 ($31 million). Block Grant funding may be used to complement the assistance for housing construction to be provided to Tribes under the new "Indian Housing Grants" program.

Total Amount Requested: $75.0 million
Estimated # of Units to be Funded: 1,500

PROGRAM: URBAN DEVELOPMENT ACTION GRANTS (UDAG)

Section 119 of the Housing and Community Development Act of 1974, as amended, authorizes grants to cities and urban counties which are experiencing severe economic distress to help stimulate economic development activity needed to aid in economic recovery. Assistance may be provided to communities which meet minimum standards of physical, economic or fiscal distress; have demonstrated results in providing housing for persons of low- and moderate-income; and have demonstrated results in providing equal opportunity in housing and employment for low- and moderate-income persons and members of minority groups. The Housing and Community Development Act of 1980 amended section 119 to include Indian Tribes as eligible entities to receive UDAG funds. The Budget proposes an appropriation of $196 million for FY 1984 which, together with an estimated $244.0 million of unobligated funds deferred from 1983 and $36.0 million of recaptured funds, will result in 1984 obligations

Total Amount Requested: $196.0 million
Deferred FY 1983 Funds: 244.0 million
Recaptured Funds: 36.0 million
Total Estimated for FY 1984 $476.0 million

PROGRAM: RENTAL REHABILITATION GRANTS

NEW PROGRAM

The budget proposes a Rental Rehabilitation Grants program to be implemented in 1984. Under this grant program, assistance will be provided to States and local governments to enable the rehabilitation of rental properties. This new program--which will be used in conjunction with the proposed housing payments certificate program--will replace the 312 rehabilitation loan and section 8 moderate rehabilitation programs.

According to the Administration, an appropriation of $150 million would support the rehabilitation of an estimated 30,000 rental units in 1984. Rental Rehabilitation funds may not finance more than 50% of the costs of individual rehabilitation projects. Therefore, the Administration is estimating that at an average grant of $5,000 per unit plus matching public/private funds, the $150 million will leverage a total rehabilitation effort of $300 million.

The Administration justifies the need for this program on the basis of the lack of available standard existing housing in certain market areas. Funds will be available for the rehabilitation of both single family and multifamily properties. These grants would be used to subsidize the cost of rehabilitating properties for rental at competitive market rates for the neighborhood within which they are located. Localities would be free to coordinate the Rental Rehabilitation Grants with their CDBG funds and would have the discretion to determine the type and level of subsidy. According to HUD officials, anyone who is eligible for CDBG is eligible for this program.

Total Budget Authority Requested: $150.0 million
Estimated # of Units to be Funded: 30,000

AGENCY: BUREAU OF INDIAN AFFAIRS

PROGRAM: HOUSING IMPROVEMENT PROGRAM (HIP)

The Budget proposes $22.7 million for the HIP program for FY 1984 thereby continuing the long-range objective of the BIA to eliminate substandard housing on Indian reservations. The Administration estimates that 640 new homes will be built and 3,635 homes will be renovated and/or enlarged. The $22.7 includes a decrease of about $1.0 million for the Housing Training activity (Resident Training Counseling Program/RTCP) which is to be discontinued in 1984.

Total Amount Requested: $22.7 million (includes -$1.0 million due to discontinuation of the RTCP program.)

PROGRAM: ROAD CONSTRUCTION

The Budget proposes $43.5 million for Road Construction in FY 1984. This amount includes $5,716.0 million in budget authority to bring the program to the FY 1983 level ($43.5 million). Not included in the BIA's proposal are construction project funds in the requested amount of $100 million which will be provided through contract authority from the Highway Trust Fund as part of the Federal Lands Highway Program of the Department of Transportation. This is an increase of $25 million over the FY 1983 level. Housing access roads, listed separately in the Bureau budget in FY 1982, have been included in the Tribal Priority Projects activity in recognition of the fact that tribal selection of a housing site requiring an access road constitutes establishing a tribal priority for the road. The total amount requested for Housing Access Roads for FY 1984 is $2,834,000. According to the Bureau, other than revising the way of handling funds for Housing Access Roads, there is no substantial change in the Roads Construction Program.

Total Amount Requested-BIA:	$ 43.5 million	(including $2.834 million for Housing Access Roads)
Total Amount Requested-DOT:	$100.0 million	
TOTAL:	$143.5 million	

AGENCY: HHS/INDIAN HEALTH SERVICE(IHS)

PROGRAM: SANITATION FACILITIES CONSTRUCTION PROGRAM (SFCP)

To carry out part of IHS's responsibility for providing preventative health care services, the Sanitation Facilities Construction Program (SFCP) funds the construction of various health care facilities including the construction of water and sewer systems for Indian housing built under various Federal programs. SCFP also provides technical assistance to Indian communities and families for the operation and maintenance of such systems, and inspects lands chosen as housing sites to ensure suitability for building.

As was done for FY 1983, the Administration is not requesting any new funds for the SFCP program for FY 1984. Instead, the Administration has included funds for the construction of water and sewer systems for housing built under the Indian Housing Program in the new "Indian Housing Grants" program discussed earlier in this section. Last year, the Administration submitted a package of legislative proposals to Congress which included a proposal to amend the Indian Health Service's basic law as well as the Indian Health Care Improvement Act to transfer the authority for construction and maintenance of Indian sanitation facilities from the Department of Health and Human Services to the Department of Housing and Urban Development.

At the time this information went to press, no legislative proposals for FY 1984 have yet been transmitted by the Administration. It is expected that the proposals relating to IHS will be sent over at the end of February or the beginning of March. In is not now known (although it is suspected) if the Administration will again propose to transfer authority to HUD or seek to repeal the existing sanitation facilities law.

Total Budget Authority Requested: $ -0-

(Dollars in Thousands)

Budget Comparison:	1982 Actual	1983 Est.	1984 Est.	83-84 Diff. (+/-)
Budget Authority:	$38,680	$14,000	$ -0-	-$14,000

AGENCY: DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS)

PROGRAM: LOW-INCOME HOME ENERGY ASSISTANCE BLOCK GRANT PROGRAM (LIHEAP)

This program provides funds to States for assistance to low-income households for their heating costs, weatherization, crisis assistance and some cooling costs. Tribes have been receiving funds either through the States or directly from the federal government since 1982. The 1984 budget includes $1.3 billion in block grants to the States. In addition, in 1983 HUD will request authorization to transfer approximately $11 million in unobligated funds from its Solar Energy and Energy Conservation Bank to the Low-Income Energy Assistance Block Grant.

Total Budget Authority Requested:	$1.3 billion
Amount of Transfer from HUD:	$11.0 million
Total Amount Proposed:	$ 1.311 billion

AGENCY: USDA/FARMERS HOME ADMINISTRATION (FmHA)

PROGRAM: RURAL HOUSING BLOCK GRANTS

NEW PROGRAM

This program was authored and sponsored by Senator Harrison Schmitt (R-NM) during the last session of Congress as part of the Senate's version of the HUD authorization legislation for FY 1983. Although there was not action taken on the legislation by Congress, and Senator Schmitt lost his bid for re-election last fall, the Administration has taken up the idea and is proposing it for 1984. This proposed new program would promote safe and sanitary housing for residents of rural areas as part of and not in place of the Farmers Home Administration, as was proposed by Senator Schmitt's plan. The block grants would be made directly to States to provide assistance for acquisition, construction, improvement, alteration or repair of dwellings and rental housing and to provide for temporary housing costs in rural areas for persons of low income. Such assistance by the States may be in the form of grants or low-interest loans.

Total Budget Authority Requested:	$850.0 million
Estimated # of Grants to be Funded:	40

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2/4/83

ADMINISTRATION BUDGET PROPOSALS FOR FY 1984

AREA: EMPLOYMENT AND TRAINING

AGENCY: DEPARTMENT OF LABOR/EMPLOYMENT AND TRAINING ADMINISTRATION (ETA)

PROGRAM: INDIAN AND NATIVE AMERICAN PROGRAMS

The Budget proposes a funding level of $62.2 million for this program for FY 1984. This is down from the 1983 estimated level of $68.9 million. Funds for this program are authorized under the Job Training Partnership Act of 1982. The Administration is also proposing to convert financing for the Training and Services Program account, which the Indian program falls under, to a January through December program-year basis. The Administration will transmit this proposal to Congress as soon as it has an agreement on the appropriateness of forward-funding for the program.

Total Funds Requested: $62,243,000

(dollars in thousands)

Budget Comparison:	1982 Actual	1983 Est.	1984 Est.	1983-84 Diff. (+/-)
	$67,887	$68,915	$62,243	-$6,672

AGENCY: BUREAU OF INDIAN AFFAIRS

PROGRAM: EMPLOYMENT ASSISTANCE

The Employment Assistance program has two basic activities which are designed to help alleviate unemployment on reservations which is estimated by the Bureau to be 31% in FY 1981. These two activities are: Adult Vocational Training and Direct Employment (Job Placement). The status of Employment Assistance in FY 1984 is as follows:

- Adult Vocational Training: In FY 1984, the Bureau anticipates that over 4,700 trainees will be assisted by this program at an average cost of $4,400 per trainee. The Bureau estimates that more than one-third will successfully complete their training and approximately 80% of these will be placed in employment. Less than one-third will terminate from the program and approximately 35% of these will be positive terminations: entry into higher education, entry into military service, etc.

- Direct Employment: In FY 1984, the Bureau estimates that direct employment services will be provided to some 2,775 participants at an average cost of $2,200 per participant.

- Special AVT - SIPI Program: The Special AVT - SIPI Program proposed for FY 1984 would continue the proposed FY 1983 operation of the Southwestern Indian Polytechnic Institute in Albuquerque, New Mexico under the auspices of the Albuquerque Technical-Vocational Institute. The Bureau estimates that the cost of this project in FY 1984 will be $1,300,000. This includes an increase of $150,000 to allow approximately 50 additional Indian applicants to be able to attend SIPI. The average cost is $2,900 per participant and a number of 450 total participants.

The Bureau estimates that the total number of participants for FY 1984 will decrease severely due to Tribes placing more emphasis on adult vocational training. This change has increased the funding level of vocational training and reduced funding for direct employment. The estimated tentative funding level for direct employment for FY 1984 is $6,106,000 which an estimated total number of participants, at $2,200 per participant, is 2,775. A cut of $513,000 in Tribe/Agency Operations will eliminate an estimated 233 Indian applicants from participating in the direct employment activity. According to the Bureau, if there was no decrease, the estimated total participants for FY 1984 would be 3,008.

Total Funds Requested: $28,310,000

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APPENDIX: EDUCATION

The White House Indian Policy Statement uses the development of strong Tribal economies as its central theme. Federal support for Indian education has been given only minimal priority in the FY 1984 budget, however, NCAI sees this as a serious ommission on the Administration's part. As the NCAI Education Committee recently noted:

> Economic development, stable reservation economies, and strong Tribal governments ultimately depend upon education and training in the skills necessary to develop those economies. The economic development potential of Indian reservations and Alaska Native lands has not been fully realized. This potential will be realized only if the federal government works with Indian Tribes and Alaska Native entities to develop programs of economic development with a capacity for self-perpetuation, and supports the education and training of a diversified Tribal workforce educated for self-sufficiency.

The Administration's FY 1984 budget proposals for Indian Education hardly advance self-sufficiency in Indian Education. Proposed Boarding School closings, school transfers in Alaska, and overall increases in the size of the Indian student population combine to mean that there will be more students to be served by JOM next year; yet no increase in funding is proposed for that program, the $3.0 million loss suffered by Tribes in FY 1982 remains unrestored. Proposed elimination of the pre-kindergarten support means JOM-eligible students from several reservations will be placed at an additional disadvantage when they enter public school. Funding for BIA-based school programs fares little better. The School Operations budget proposal falls far behind what is required under Title XI, P.L. 95-561. The proposal to address school boards training needs through the distribution of a set of training manuals insults the dignity and commitment which these Tribally-sanctioned entities bring to Indian education. The line-item for school construction seriously underestimates the on-reservation need for new and upgraded facilities; the Department of Education's proposal to fund construction for three new schools under Impact Aid only minimally offsets this problem. Overall, the educational preparedness of the next generation's Indian labor force is being grossly underserved in the FY 1984 budget proposal.

The training needs of this generation's working population are also being bypassed. It is not clear how a decrease in the BIA's scholarship program can be justified, given the necessary contributions post-secondary education brings to the process of economic development. The proposal to fund SIPI through discretionary use of Tribal AVT funds threatens the stability of one facet in the BIA school system specifically designed to address these training needs. Both proposals require Tribes to turn to other sources of support for the training and vocational development of their members. Once again, BIA has failed to meet its responsibilities to match the 1% set-aside mandated under the Vocational Education Act. This significantly weakens the amount of funding that program can make available specifically for Indian needs. The Department of Education's proposals to require college students to provide 40% of the costs of their schooling before they apply for federal post-secondary support scarcely offers Tribes any viable alternative under these circumstances.

The proposed elimination of Title IV funding certainly makes no sense within an economically centered government-to-government relationship for Indian education. Some Tribes have expressed concerns about the administration of this program or about the eligibility criteria used to govern its services delivery, but no Tribe to NCAI's knowledge has endorsed the elimination of Title IV altogether. The Administration says that the Department of Education funds on the basis of need, not race; that Title IV duplicates services provided to Indian students under Title VII, Chapter 1 and Impact Aid. Both claims reflect a total misunderstanding of the enduring political obligation to which Title IV and the Office of Indian Education respond. It is naive to the point of ignorance to assume that Tribally-controllable, student-sensitive services of the sort provided through Title IV programs can be replicated through the rigid accounting procedures and the restricted definitions of purpose which Title VII, Chapter 1 and Impact Aid's legislative mandates each require.

NCAI calls for funding of BIA's budget in Indian Education and for the funding of Title IV at the FY 1981 level. This is the minimal amount of funding which will be required, if the Administration plans to honor the commitments it made to the Tribes through the White Policy Statement.

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TITLE IV, INDIAN EDUCATION ACT: THE PROBLEMS WITH THE PROPOSED TERMINATION

This is a slightly revised version of the testimony NCAI presented on this issue before the House Elementary, Secondary, and Vocational Education Subcommittee on Tuesday, February 22, 1983. It is included here to point out the concerns NCAI wants to raise regarding the Administration's proposal to exercise a $ 16.0 Million rescission on the FY 83 budget for Title IV, and then to terminate all services under Title IV and the OIE in the FY 84 budget.

First, regarding the $ 16.0 million rescission. NCAI respectfully points out to the Administration and to this Subcommittee that any attempt to impose a rescission on Title IV funding already appropriated by the Congress violates a determination on this matter already made by the General Accounting Office. (Reference is made to a letter from the Comptroller General of the United States to the President of the Senate and the Speaker of the House of Representatives dated May 6, 1982, portions of which are here attached.) As is the case for many other pieces of federal legislation, Title IV's enabling legislation contains a "mandatory spending statement". And the authority to spend funds appropriated under the terms of such a mandatory statement cannot be superceded by rescission or by any other process allowed under the provisions of the Impoundment Control Act, according to the GAO determination.

The Administration's proposed rescission for Title IV become a matter which can and will, if necessary, be resolved through the courts. In the meantime, however, there remains a more immediate problem. Even though the Congress has not given its approval to the Administration's request for a rescission, the Department of Education and the Office of Indian Education have begun to conduct business "as if" the rescission already were in place. Renewal of the contract for one of the Title IV Resource Centers was initially refused by OIE last month, and orders were passed out for the Center to shut down its operations, in part because OIE did not wish to commit already appropriated funds for that Center. Last fall, OIE actively discouraged LEA's from applying for new Part C Adult Education grants or from expanding the scope of their Part A and Part B programs, citing Administration's FY 83 budget requests "as if" they expressed the level of funding OIE really had to distribute during the coming year. Recommendations for the retrenchment of activities, for projectshut-downs, and for program termination are once again being released in reference to OIE's proposed phase-out in FY 84. Perhaps, under these circumstances, such caution is well advised. But the outcomes are the same regardless of motive: Indian students and their educational services are being made the unfortunate victims of needless bureaucratic gamesmanship. NCAI cannot and will not stand by while the Administration plays havoc with the continuity, quality, and delivery of educational services to Indian students. We are confident, Mr. Chairman, that this Subcommittee will not remain impassive in the face of the same situation.

Now let me turn to the second issue: The proposed elimination of Title IV and of OIE services in FY 84.

NCAI feels it is important to understand why the Administration is calling for the termination of Title IV programs at this time. The Administration is not saying, you notice, that Title IV has been ineffective and therefore should be eliminated for reasons of cost-effectiveness. Nor is the Administration saying that Title IV is a program more properly to be managed by state-level educational authorities. At no point has the Administration attempted to deny that Indian students have unique educational needs.

The Administrations arguments in favor of the termination of Title IV rest in other domains:

1) Services provided under Title IV can be supplied through funding from other Department of Education programs;

2) The Department of Education provides funding on the basis of educational need and not racial background; the Department of Education has no responsibility to provide education services to meet the special needs of Indian students.

and

3) The federal government has no responsibility to provide educational services to any Indian student not living on or near his home reservation.

NCAI cannot and will not accept the validity of any of these arguments.

Title IV may compliment the services offered by other Department of Education programs. But that does not mean, once Title IV is terminated, that comparable services can then be obtained through those other program sources. Chapter I monies, for example, can be used only for a limited number of remedial purposes. Title IV, in contrast, can focus on programs of academic enrichment, cultural awareness, psychological and personal well-being, out-of-school follow-up, school-home-Tribe relationships, or on other activities designed to meet the special educational and cultural needs of the whole Indian student. Chapter I has never attempted to be that holistic in its focus or that flexible in its educational design. Title IV programs also allow the possibility of close Tribal accountability and oversight, if not direct Tribal control over program operations. No such provision for Tribal self-determination in education is to be found within the administration of Chapter I programs, nor within the operation of any of the other Elementary and Secondary Education programs administered out of the Department of Education.

It is even more absurd to argue that programs like Title VII or Impact Aid can take over responsibility for the educational services currently being supplied by Title IV. Title VII, given its English language focus, at best is able to address only a small portion of the Tribes' concerns with language arts instruction; Experience has shown that Title VII remains indifferent to the unique language needs of Indian students in public schools, even though the 1978 Amendments to the Act added a special section — 703-(a)(1)(C) — which specifically calls OBEMLA's attention to the specifics of those needs. Remember also, Title VII is a discretionary program, not an entitlement. So there is no continuity in support for Indian education projects under this Act, one academic year to the next. Tribal accountability is a concept which is totally alien to Title VII's administrative process, as well.

Impact Aid funding is awarded to school districts, not to Tribes, in lieu of tax dollars and is is to be used to meet the basic operating expenses of targeted public schools. Impact Aid does not support specifically Indian focused educational programs, and will not be able to be used in that way at the local level until (1) Impact Aid funds are exempted from state "equalization formulae" and left free to go directly to the LEA's at the levels originally intended; and (2) BIA effectively regulates the provisions of Title XI, Part A, PL 95-561. Without those changes, Impact Aid hardly can offer any alternative to the services currently being provided by Title IV.

There are additional problems with the idea that other Department of Education programs can supply services currently being provided under Title IV. In some states, funding from non-Indian-focused education projects will have to be decreased as much as 30 - 40%, in order for the Title IV Part A projects within those states to continue to receive funding at their FY 82 or 83 levels.* Such diversions of Chapter I dollars toward Title IV needs would rapidly heighten ill-will and increase conflicts at a time when unity between the nation's political, ethnic, and racial minorities has never been so critical.

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*See attachment II for specifics.

Notice, moreover, that any attempt to use Chapter I funding to offset Title IV needs would also give the state governments greater control over the funding of Indian Education services at the local and Tribal levels. NCAI opposes all such attempts to shift responsibility for the management of Indian education from the federal to the state-level authorities. No aspect of the "new federalism" can render inviolate the federal government's enduring responsibility to provide educational services to the Tribes.

The Administration is in error when it claims that the Department of Education has no role to play in fulfilling those responsibilities to the Tribes. It is difficult to understand how the Administration can claim to be working in terms of government-to-government relationships in Indian Affairs, at the same time it is seeking to eliminate the one set of programs in that Department specifically designed to respond to the educational concerns of Tribal governments.

The Administration argues that the federal responsibility to serve Indian students as Indians applies only if Indian students reside on or near reservation boundaries. The wording of the Snyder Act (25 USC § 13) as well as the findings of Seminole Nation v United States and Morton v Ruiz all acknowledge that federal services must be provided to the Tribes regardless of their members' place of residence. In no sense does NCAI want to demand that off-reservation educational needs be used as an excuse for cutting back on the delivery of educational services to the reservation communities. But the fact remains, off-reservation residence does not, in and of itself, provide a sufficient justification for terminating federal Indian services in any form. NCAI raises the strongest objection to the Administration's attempts to do this very thing in the FY 84 budget proposals.

One more point needs be made: NCAI does not think that Title IV is a perfect piece of legislation. NCAI recognizes that there have been problems with the distribution of Part A funding and with the uses made of those funds by certain local programs. NCAI will be the first Indian organization to call for federal oversight and review of the Indian Education Act and of its contributions to Indian education. NCAI holds, however, that such oversight and assessment must be carried out n legislative terms, allowing all sides of every question to receive an open and equitable hearing. Attempts to use the budgetary process as a means of bringing about changes in federal Indian education policy bypasses opportunities for Tribal consultation. For that reason alone, NCAI opposes the Administration's proposed elimination of Title IV and the programs it supports in the FY 84 budget.

ATTACHMENT # I

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SACRAMENTO AREA
Juanita Dixon
Luiseno

SOUTHEASTERN AREA
Eddie Tullis
Poarch Band of Creeks

MEMO

To: Ron Andrade, Executive Director, NCAI
From: William Leap, Education Director, NCAI
Date: February 7, 1983

Re: GAO Determination dated May 6, 1982

As per discussion, I am enclosing a copy of the GAO determination of May 6, 1982. The statement indicates GAO's findings that the provisions of the Impoundment Control Act "... (do) not supercede any other provision of law requiring the obligation or expenditure of budget authority" (pg. 1). The statement summarizes findings from a GAO examination "... of the statutory scheme involved for evidence of a congressional mandate to spend the funds appropriated for the particular program" (pg 1). Included in the listing (see page 3) is the Indian Education Act Part A. There, the GAO statement notes:

> The following program in which funds were proposed for rescission involves a mandatory spending statute under our analysis of the fourth disclaimer: Indian Education Act, Part A (impact aid), 20 USC § 241aa-241ff.

GAO thereby determines that, in FY 82, funding for Title IV Part A cannot be subjected to rescission. Since the same law is in effect now as then, I suggest that GAO's findings on the proposed rescission in spring, 1982, apply with equal force in late winter, 1983. The Administration cannot legally impose a rescission of Indian Education Act funds, nor (apparently) could the Congress vote in favor of one after having mandated the spending of appropriated funds in the first place.

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

B-205053

May 6, 1982

To the President of the Senate and the
Speaker of the House of Representatives

On February 5, 1982, the President's eighth special message for fiscal year 1982 was transmitted to the Congress pursuant to the Impoundment Control Act of 1974. The special message proposed 22 rescissions of budget authority totalling $10,655 million, 14 new deferrals totalling $2,334 million, and revisions to seven previously reported deferrals which increase the amounts deferred by $768 million. On February 19, 1982, the President submitted his ninth special message for fiscal year 1982, reporting a $2 million reduction in the amount proposed for rescission in rescission proposal R82-23 (Mine Safety and Health Administration). In his eleventh special message for fiscal year 1982, dated April 23, 1982, the President reduced by $3.4 billion the amount proposed for rescission in rescission proposal R82-21 (subsidized housing programs).

The 45-day period during which the funds proposed for rescission could be withheld pending congressional consideration of a rescission bill ended on Friday, April 23, 1982, without Congress having passed any such bill. The withheld funds were released by OMB on Monday, April 26, 1982.

In our report to Congress dated March 10, 1982, we explained in detail our interpretation of section 1001(4) of the Impoundment Control Act, the so-called "fourth disclaimer," which provides that the Act does not supersede any other provision of law requiring the obligation or expenditure of budget authority. Briefly stated, our analysis requires examination of the statutory scheme involved for evidence of a congressional mandate to spend the funds appropriated for the particular program. In the following report, we identify the rescission proposals submitted in the eighth and ninth special messages which involve mandatory spending programs under our analysis of section 1001(4). In our view, the Impoundment Control Act does not authorize impoundments of funds for these programs.

FUNDS APPROPRIATED TO THE PRESIDENT

R82-4 International Development Assistance
Functional Development Assistance Program
Food and Nutrition
Education & Human Resources
11X1023
11X1025

GAO/OGC-82-11

The following programs in which funds were proposed for rescission involve a mandatory spending statute under our analysis of the fourth disclaimer: Career Education Incentive Act, (grants) 20 U.S.C. §§2604-2608; Education Amendments of 1978 (territorial teacher training assistance), 92 Stat. 2379.

An agency official in the Women's Educational Equity (WEE) program told us that the development and dissemination of curriculum and training materials probably would not be done by the States because of the expense involved. The official also said that the rescission would eliminate funding for higher education and community-based WEE activities; 20 new grants; 20 continuation grants; five contractor-operated demonstration projects in five school districts; and the contractor-operated WEE publication center.

With regard to the Follow Through program, an official told us that the rescission would eliminate funding for over 37,000 children, 1200 teachers, 1800 aides (primarily low-income parents of children in the program) and 105 administrators in 84 projects in 37 states. In addition, programs at 16 institutions of higher education would not be funded. A current GAO review has raised questions about the continued value of the Follow Through program. The program was established to assist graduates of Head Start and similar preschool programs to sustain the gains achieved under these programs. However, there are indications of improvements in the effectiveness of the Head Start program and Head Start graduates who need assistance are eligible to obtain it through other programs available for educationally disadvantaged children.

An official for the Career Education program told us that the proposed rescission would eliminate funding for three contracts totalling $480,000, and for 12 positions in the Department of Education and up to 49 State coordinators.

R82-11 Office of Elementary and Secondary Education
Indian Education
9120101

The following program in which funds were proposed for rescission involves a mandatory spending statute under our analysis of the fourth disclaimer: Indian Education Act, Part A (impact aid), 20 U.S.C. §§241aa-241ff.

R82-12 Office of Special Education and Rehabilitative Services
Education for the Handicapped
9120300
912/30300
911/20300

ATTACHMENT II

NATIONAL
CONGRESS
OF
AMERICAN
INDIANS

2025 I Street, NW, Suite 320, Washington, DC 20006

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Luiseno-Diegueno

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Eddie Tullis
Poarch Band of Creeks

MEMO

To: Concerned Indian educators

From : William Leap, Education Director

Date: February 21, 1983

Re: Available alternatives for Title IV Part A support

The Administration implies that Title VII, Impact Aid, and Chapter I (among other Department of Education programs) could supply funds to pick up the costs of projects currently operated under Title IV Part A entitlements.

The table on the following pages shows you exactly what might be at stake in such a move, when viewed on a state-by-state basis.

Data are presented by state. The total amount of the Part A awards going to LEA's in each state is listed. The next column ranks those awards by relative size. Oklahoma is ranked first, with the greatest amount of Part A money coming to LEA's in its bounderies. Missouri is ranked last, because its LEA's receive the least amount of Part A funding.

The next column compares the size of each state's Title IV Part A awards against the total amount of federal Elemenaary and Secondary Education dollars which come to the state. For purposes here, the sum of the state's Chapter I, Title VII and Impact Aid funds are combined with the Title IV Part A entitlement to obtain this overall sum.

The final column compares the size of each state's Title IV Part A awards against the size of the state's allocation under the Chapter I block grant. That percentage shows, among other things, how much of the state's Chapter I grant would have to be diverted from non-Indian projects, if Chapter I were to assume the costs of Title IV Part A projects.

Notice, among other things displayed here:

1. States with larger on-reservation populations will be hard hit if Title IV Part A monies have to be taken from other federal elementary and secondary education sources.
2. Each state will be affected differently, and will have to make individual adjustments to the federal level cutback. There will be no assurance of uniformity in support for Part A type programs if the federal involvement is eliminated.
3. Size of Title IV Part A award total does not necessarily predict (or even correlate with) the percentage that total occupies within the state's total e & s package . Nor does Part A award size necessarily predict the amount of Chapter I or Impact Aid funding which comes into the state.

You may want to bear these figures in mind, and perhaps make reference to them, when explaining exactly what impacts we can expect will emerge from the Administration's decision to eliminate Title IV funding to the Tribes and the LEA's serving them.

TITLE IV PART A AWARDS (FY 82) -- Some state-by-state profiles

state	Title IV-A Award	ranked by size of all Part A awards	% of total federal El & Sec monies received	% of state Chapter I allocation
Alabama	345,841	19	0.5%	0.5%
Alaska	6,952,597	2	16.5%	133.0%
Arizona	4,871,882	3	8.6%	17.3%
Arkansas	111,174	29	0.2%	0.2%
California	4,753,063	4	1.4%	1.6%
Colorado	243,102	22	0.6%	0.8%
Connecticut	30,354	36	0.1%	0.1%
Florida	74,774	32	0.01%	0.07%
Hawaii	18,083	39	0.1%	0.2%
Idaho	230,461	23	0.2%	2.5%
Illinois	114,906	28	0.1%	0.1%
Indiana	10,691	40	0.001%	0.03%
Iowa	88,981	30	0.4%	0.4%
Kansas	201,603	24	0.7%	0.9%
Louisiana	394,984	18	0.4%	0.5%
Maine	42,126	35	0.3%	0.3%
Maryland	162,774	25	0.3%	0.4%
Massachusetts	125,248	27	0.2%	0.2%
Michigan	2,628,500	7	2.1%	0.2%
Minnesota	1,698,117	9	4.2%	4.7%
Missouri	4,863	41	0.009%	0.01%
Montana	1,901,823	10	9.9%	20.4%
Nebraska	252,306	21	1.3%	1.7%
Nevada	448,165	17	5.8%	10.0%
New Jersey	73,930	33	0.1%	0.1%
New Mexico	3,667,866	5	8.0%	15.0%
New York	1,125,868	13	0.4%	0.4%
North Carolina	2,031,971	8	2.0%	2.4%
North Dakota	590,275	16	3.7%	7.2%

Ohio	127,553	33	0.1%	0.2%
Oklahoma	9,584,299	1	16.7%	20.2%
Oregon	964,672	14	3.3%	3.6%
Rhode Island	27,691	37	0.3%	0.3%
South Dakota	1,476,634	11	7.9%	17.3%
Texas	81,400	31	0.03%	0.01%
Utah	606,029	15	4.3%	7.0%
Virginia	24,232	38	0.03%	0.04%
Washington	2,936,483	6	3.7%	6.2%
Wisconsin	1,139,768	12	2.3%	2.0%
Wyoming	290,413	20	3.7%	7.1%

NATIONAL CONGRESS OF AMERICAN INDIANS   2025 I STREET,NW # 320   WASHINGTON, DC 20006

TITLE VII SERVICES IN INDIAN EDUCATION: A FACT SHEET

1. How many Indian and Alaskan Native students actually need bilingual education services ?

There are approximately 427,000 Indian and Alaskan Native students in the 5 - 18 age bracket. Of that number, 184,682 students are enrolled in BIA schools, in contract schools, or in public schools located on or near reservation lands. Within that grouping:

- . 77,366 (42%) come from communities where the dominant language is Indian or Alaskan Native in background;
- . 89,930 (49%) speak and understand their ancestral language at some level of proficiency;
- . 121,257 (66%) come from homes where the ancestral language is commonly or regularly spoken; and
- . 82,913 (45%) come from homes where the ancestral language is the dominant language.

So we may assume for purposes of this discussion that 82,913 students, at minimum, would be eligible for bilingual education services under Title VII and its definition of eligibility.

2. How many of these eligible students are currently receiving bilingual education services ?

Of those students needing bilingual services:

- . 31,338 (38%) of the students in BIA schools, contract schools, or public schools located on or near reservation lands are receiving bilingual/bicultural services through programs at their school. Predominately, these students are enrolled in grades K - 3.
- . 51,575 (62%) of these students are eligible to receive bilingual education services but are not currently enrolled in a bilingual education program.

3. What about the language arts needs of students not enrolled in BIA schools, contract schools, or "on or near" public schools ?

It is difficult, if not impossible, to estimate the need in those instances. Accurate data are not maintained nor reported to any central source. So we have no way of determining how may Indian or Alaskan Native students within urban domains or within public schools not receiving JOM funds might be speakers of their ancestral language at some level of proficiency, and/or might be eligible for bilingual services as defined in section 703 (a)(1)(C) of the Act.

4. How many Indian and Alaskan Native students does Title VII currently serve ?

In FY 82, Title VII programs provided bilingual education services to 13,000 Indian and Alaskan Native students. These students constituted

6% of the total number (270,000) of students served by Title VII's Basic and Demonstration project grants.

5. What percentage of the Indian and Alaskan Native student need is Title VII currently addressing ?

IF we assume that all of the Indian and Alaskan Native Title VII projects are based in BIA schools, contract schools, or in public schools on or near reservation lands, then we may conclude that Title VII programs are serving approximately 18% of the eligible Indian and Alaskan Native student population.

6. Why aren't a larger number of Indian and Alaskan Native students receiving Title VII services ?

There are several reasons. First, Title VII is a discretionary and not an entitlement program. Applications are received and evaluated on a competitive basis. Funding is awarded for limited periods of time (usually, no more than 3 years) and is not automatically renewable. Hence because of its nature as a discretionary program, Title VII cannot be a permanent or secure source for funding educational services within the schools serving Indian or Alaskan Native students.

7. Why does that matter ?

Indian and Alaskan Native language bilingual programs are expensive to operate. There are start-up costs which have to be met before instruction can begin -- basic research into phonology and syntax, preparation of materials, development of writing systems, training of fluent speakers as teachers or teacher aids. There are in-service needs, costs of parental and Tribal outreach efforts, and other expenses in addition to the costs of providing instruction within the classroom. So Indian and Alaskan Native bilingual programs involve particular financial commitments. And many LEA's, especially in instances where basic operating funds are limited, are reluctant to seek Title VII funding even if they are aware of their students' unmet language needs.

8. Can't Tribes intervene and encourage LEAs to prepare applications for Title VII funding, once Tribes recognize that student language needs are going unmet ?

In some instances this may happen. In general, however, Title VII applications are prepared and funding is awarded without any reference to Tribal priorities; and usually, applications are prepared without evidence or Tribal consultation. The Office of Bilingual Education and Minority Language Affairs (OBEMLA) does not require evidence that the LEA has contacted the students' Tribe(s) or evidence that their Tribe(s) endorse the application. Tribes themselves are not eligible to apply for or to receive Title VII funds, to set up after school programs with Title VII money, or to contract the management of in-school language arts programs. Tribal interests and concerns are largely irrelevent to the Title VII application and funding process.

9. What about services to Indian and Alaskan Native students through the Title VII technical assistance "network" ?

The "Regional Centers" have proved useful to the interests of many non-Indian/Alaskan Native bilingual programs. However, their usefulness for Indian and Alaskan Native students and the projects serving them has been limited. Few of the regional centers have Indian or Alaskan Natives on their staff. And few of the non-Indian/Alaskan Native staff members have expertise or familiarity with the unique language arts needs of Indian and Alaskan Native students. The regional centers are prohibited from advocating on behalf of under-served students, regardless of background. The decision to serve Indian or Alaskan Native student language through Title VII rests with the LEAs and is dependent on their sensitivities to Indian and Alaskan Native student needs and their willingness to respond to those needs.

10. Aren't the LEA's aware of the unmet language needs of the Indian and Alaskan Native students enrolled in their programs ?

If the students are fluent in their Tribes' ancestral language(s), the LEA authorities probably are aware of their needs. But if the students' first language or most frequently used language is English, teachers usually note that the students "speak English" and therefore have no reason to benefit from bilingual instruction. Such superficial assessment ignores the possibility that the students' English has been influenced by the sentence forms and patterns of pronounciation characteristic of the students' ancestral language. So fluency in English, under such conditions, may still lead to difficulties in speaking, understanding, reading and writing English within the classroom. And those difficulties may seriously inhibit the Indian and Alaskan Native student's educational progress and educational attainment. (The Background Paper attached to this fact sheet provides additional discussion on this question.)

11. How sensitive is OBEMLA to Indian and Alaskan student needs and to Tribal concerns ?

Despite the fact that an Indian person has been appointed to the National Advisory Council for Bilingual Education and Indian people have served on the advisory board of the National Clearinghouse for Bilingual Education, there is little evidence of sensitivity or concern on these issues within OBEMLA itself. Only one Indian person is on permanent staff in that office. Even though OBEMLA was warned during Congressional hearings in 1977 regarding its failure to act affirmatively in its hiring practices, OBEMLA has yet to identify and recruit a proportional number of Indian and Alaskan Native candidates for its staff.

In addition, there remains little advocacy and oversight from the level of OBEMLA in the Indian language area. This has produced serious consequences, for example, in OBEMLA's continuing failure to develop rules and regulations governing section 703(a)(1)(C), the section of the Act which addresses the "Indian English" issue alluded to in the answer to question 10. Tribes have received no guidance from OBEMLA, regarding the ways to use the terms of that section in assessing student language needs or in designing programs of instruction to address those needs.

OBEMLA has also refused to grant BIA "51st state status", thereby denying to BIA access to the funding which SEAs receive for special support of the Title VII programs within their school systems. Because BIA schools are considered not to be part of the school systems of the states in which they are based, BIA-based Title VII programs are not eligible to receive support services out of the SEAs. This leaves many of these programs totally without sources of locally sensitive technical assistance; operation and effectiveness of these programs becomes negatively influenced, accordingly.

12. Will the changes proposed by the Administration for the Bilingual Education Act produce a more favorable level of Indian and Alaskan Native services, or further restrict Indian and Alaskan Native services under this Act ?

NCAI testified against the Administration's proposed changes and against the changes Senator Huddleston has suggested during Senate Labor and Human Resources Committee hearings last spring. A copy of that testimony is attached. Unless steps are taken to guarantee Tribal access and Tribal accountability over Title VII programs, no amendments or alterations in the legislation will produce any change from the current conditions of limited services in Indian and Alaskan Native education.

13. And the effects of the budget cuts proposed for FY 84 ?

It is difficult to understand how Title VII can be expected to expend its level of services and commitments to Indian and Alaskan Native students, at a time when the amount of funding available for all Title VII services is proposed for 33% reduction. The FY 84 Title VII budget, if enacted at the level of the Administration's request, will heighten competition between Indian / Alaskan Native applicants and non-Indian applicants. This will further restrict the amount of on-site services projects attempting to meet Indian and Alaskan Native students' needs will be able to receive from the non-Indian dominated resource centers.

14. Can't Indian language arts needs be addressed through sources other than Title VII ?

Several federal agencies also make funding available for language-arts related education purposes. Predominately in each instance, however, funds for those projects are awarded directly to LEA or to colleges and universities, non-profit research organizations, or to other technical assistance mechanisms; Tribes themselves only infrequently receive these awards. So Tribal consultation and Tribal accountability are as serious in the instances of NEA, NEH, Chapter I and related programs as they are in the case of Title VII. Moreover, most of the programs, again like Title VII, are discretionary and not entitlement in basis. So Tribes have no assurance that any of these agencies would be able to support projects addressing their students' language needs,or, if they did, would be able to provide support to those projects over any extended period of time.

Title IV, the Indian Education Act, has offered significant alternatives to this situation in previous years. Those alternatives are now threatened with elimination, given the Administration's proposal to terminate Title IV and all of the IEP-supported educational programs in FY 84.

Title VII, even with its limitations, has a critical róle to play in providing bilingual education services to Indian and Alaskan Native students. Other federal programs may complement Title VII services but do not and cannot duplicate the work Title VII is supposed to do in Indian and Alaskan Native education.

15. What guidelines need to be followed, to ensure that services continue to be made available to Indian and Alaskan Native students under the terms of the Bilingual Education Act ?

1. According to available data, Title VII programs in FY 82 are serving approximately 18% of the Indian and Alaskan Native students eligible to receive bilingual services under the terms of the Act. The 18% service level should be viewed as a *minimum* level of service delivery. All necessary steps must be taken to guarantee that services to Indian and Alaskan Native students do not fall *below* that minimum level in FY 84 and in following years.

2. Under current conditions, 82% of the Indian and Alaskan Native students eligible to receive Title VII are not receiving those services. The number of Indian and Alaskan Native students enrolled in BIA, public and contract school programs continues to increase, year by year. The number of Indian and Alaskan Native students unserved by Title VII can also be expected to increase. Title VII programs and the LEA's administration of those programs must meet their fair share of the responsibility in helping to close the gap between the number of students who need bilingual services and the number of students who are receiving them. OBEMLA must also be expected to undertaken affirmative action toward this goal.

3. Specific actions to be undertaken by OBEMLA in this regard include (but are not limited to) the following:

3.a. Tribal governments, or the Education Departments or other organization or institution duly sanctioned by Tribal governments for this purpose, should be recognized by OBEMLA as eligible applicants and recipients for Title VII Basic and Demonstration project grants.

3.b. Once eligible to receive Title VII funding directly, Tribal governments should be given the flexibility to operate Title VII funded projects as after-school, Tribally-based, or community based programs or, if they choose to exercise the option, the flexibility to enter into contracts for the operation of those programs by BIA or public school authorities.

3.c. Non-Tribally based LEAs and Resource Centers should be awarded funding to provide services "on behalf of" Indian and Alaskan Native students only if the students' Tribal governments approve of and endorse the proposed program and the proposed method of services delivery. Tribal sign-off should therefore be required as a condition of the funding of any Title VII project designed to meet the language needs of Indian or Alaskan Native students.

3.d. The BIA should be granted SEA-status by OBEMLA. This will allow OIEP to receive support funds to benefit the Title VII projects within its school system, comparable to the funding which SEAs currently receive on behalf of the Title VII projects based within the LEAs under their administration.

4. The uniqueness of the Indian and Alaskan Native students' eligibility for Title VII services, as described in section 703(a)(1)(C) of the Act, must be retained. regardless of the attempts made by the Congress or the Administration to amend the Act or alter the focus of its mandate.

Title VII and the role it plays in Indian Education: A Background Statement

William L. Leap
Education Director, NCAI

Definition

Title VII continues to be of particular interest to Indian educators for several reasons, First, this is the ONLY piece of federal legislation which as matter of record obligates the federal government in any way to provide assistance to meet student language-related needs in education. It is, in fact, the closest thing we have to a statement which mandates English as the national language of this country. The Act grew out of the recognition, in the '60's that students who come from home backgrounds where languages other than English are spoken, including those students who speak a language other than English themselves, may not perform as well in the classroom as will their English-speaking, non-language minority counterparts. Title VII was included in the Elementary and Secondary Education Act as amended in 1968, so that schools with such students could compete for federal financial assistance to develop plans of language arts instruction which would address their needs. The basic components of those plans was carefully specified in the legislation, and the definition has remained basically unchanged until this day: In a program of instruction funded under a Title VII grant:

> "there (must be) instruction given in, and study of English and, to the extent necessary to allow a child to achieve competence in the English language, the native language of the children of limited English proficiency, and such instruction is given with appreciation for the cultural heritage of such children, and of other children in American society, and, with respect to elementary and secondary school instruction, shall, to the extent necessary, be in all courses or subjects of study which will allow a child to progress effectively through the educational system."

So intensive instruction solely in English language arts will not be sufficient to meet these criteria. The child's home language must be used in the classroom for purposes of instruction in the classroom. And for most projects this has come to mean both instruction through the home language -- e.g. social studies and science in the native language, as well as instruction about the home language, e.g. grammar and composition studies, basic literacy and, where possible, rhetoric, public address and other verbal arts skills. Such instruction is to be carried out until the students' English skills are determined to be strong enough for classroom purposes. Then, with the "transition" to English completed, ancestral language arts no longer need have a place in the classroom (as far as Title VII is concerned at least).

Problems

You can tell, from this description, that school districts choosing to undertake these projects and seek federal Title VII funding for them faced any number of start-up tasks, some of which -- particular in the case of students from Indian language backgrounds, were serious indeed. Few of the Indian languages which could be used in these programs had fully functional writing systems, as of 1968; curriculum materials could not be purchased at a foreign language bookstore or through an order placed with the Education Ministry of a national government of the students' homeland. Teachers and classroom aids also had to be trained, since there were few persons qualified (under State certification statutes) to act as teachers of bilingual education; there were, in fact, few state-level criteria identying the competencies which teachers had to have, in order to be judged as qualified bilingual instructors. There were questions about the evaluation of program effectiveness to be asked. And there also were home-liason tasks to be undertaken, since in many cases -- especially the American Indian, schools which for so long had punished students for speaking in their home language were not actively advocating for the integration of home language skills within the classroom curriculum. The contradiction, to say the least, did not sit well with many families; community resistance to the idea of bilingual instruction (and in some cases, community outright rejection of the prospect of bilingual instruction in their children's education) was frequently found to be a consequence of that concern.

The Congress responded to the "start-up" problem by including, in the 1974 amendments for Title VII, funding to set up a national network of "technical assistance centers". Three types of Centers were to be funded: one, to assist in on-site staff development and training; one, to assist in the production of materials for classroom instruction (a function which individual projects had been forced to do individually in previous years); and one to provide evaluation services for individual projects and to assist in disseminating information from one project to other projects with similar interests. In the 1978 amendments, the information-management process was given a greater boost, with the provision for funding a National Clearinghouse for Bilingual Education, a national center which could assist the projects and the various clearinghouses in their efforts to provide quality instruction, keep current on the latest research, and stay in touch with each others' accomplishments.

The '78 Amendments

The 1978 amendments contained a provision which held even greater impact for Indian education: Up until that time, students had to meet several criteria, to be eligible for services under a Title VII project. First, the student had (1) to be a speaker of a language other than English; or (2) to come from a home language background where a language other than English was commonly spoken. Then, students meeting either (1) or (2) had to be shown to be having difficulty in the speaking, reading, writing, and other uses of English within the classroom. And finally, it had to be shown that the student's language background was the cause, or a major cause, for the classroom performance difficulties. Students meeting all three of those criteria would then be eligible for a Title VII project, should funding be made available to the school for that purpose. Funding was competitive, and proposals were judged on their documentation of need as well as the design of the program of instruction they proposed to address that need.

The "unique" Indian English need

And the problem was: Many Indian students, experiencing language arts difficulties in the classroom, did not fall into either of the first categories. That is, they did not speak their ancestral language nor was the language commonly spoken in the home. The problem, as it turned out, was more complex than the legislation was willing to acknowledge. Often these students had developed first language fluency in a variety of English common to their home and community, an English which bore many similarities (in sounds used, in sentence forms, and in the style and structure of speaking) to the ancestral language of the community. It was their knowledge of the locally appropriate "Indian English" code -- not their knowledge of their ancestral language per se, which was creating the classroom difficulties.

Why difficulties? The teacher is not speaking English in an Indian style nor is the teacher expecting the student to speak English in an Indian style. So when the student says:

Teacher, teacher, two children is out there fighting.

or

No one never got bit by no ants in our home.

or

That man, he be the governor of our pueblo.

or The pueblo can and have tie rights to do it.

The teacher concludes "faulty control over English", failing to recognize that -- faulty construction or not, the student is communicating certain ideas and concepts through English which the teacher's grammar cannot understand or interpret. To attempt to remediate these "errors" outright -- e.g. "Don't say 'No one never got bit.....', say 'No one ever was bitten...' would lead to serious consequences for the child. His control over his community's Indian English variety may be his only link to ancestral language fluency. It may, for example, help explain why Indian students say they 'understand' their grandparents when they talk, yet they cannot 'speak' to their grandparents in their language. Remediation destroys those linkages; maintainenance of Indian English fluency retains those linkages -- hence student rejection of attempts to learn standard English, and student retention of their locally appropriate Indian English variety, especially under circumstances as found in many schools, where standard language structures literally are imposed upon students, and they are offered no alternative other than to acquire it or reject it.

Why bilingual education will help address the Indian English need

Bilingual education, under such circumstances, could offer students a meaningful alternative. Starting with the assumption -- a proveable one in every instance where work has been carried out on the point -- that the Indian students in such cases are speaking English with a grammar-other-than-English, language arts instruction would then be designed (1) to help the students become more familiar, and to have better control, over the non-English grammar they now control; and (2) to help students add effective control over standard English grammatical skills to the grammatical skills they already possess. The easiest way to achieve the first goal is to provide students with instruction in their ancestral language, to help them become more formally aware of the rules of sentence formation they have been using each time they speak their English. Contrasting those rules, then, with the rules of standard English helps the students identify the changes they have to make in sentence formation, when they need to shift from an ancestral language-based to a standard English based conversation.

Section 703(a)(1)(C)

The 1978 Title VII amendments opened the door to these opportunities for many Indian students, by including, along with the student fluency and home-language background provisions, a third provision in the definition "limited English proficiency", which allows,

> ..., in the case of American Indian students individuals who come from environments where a language other than English has had a significant impact on their level of English language skills.

to be considered students with "limited English proficiency", and hence eligible for services under the terms of the Act.

Increasing interest in using Title VII since 1978

It is difficult to determine how many schools' now able to obtain Title VII funds with the inclusion of this paragraph, were not able to compete for Title VII funds in previous years. Ironically, even though the total amount of funding made available for support of basic projects has increased over the past ten years, the number of schools and projects serving Indian students has remained at roughly the same percentage of all funded projects each fiscal year. In 1975, for example, 9 of the funded available for basic and demonstration projects were Indian oriented. In 1976, 10%; 1977, 9%; 1978, 10%; 1979, 8%; 1980, 10%; and 1981, 11%. So the introduction of the new eligibility provisions did not cause the Tribes to receive any larger share of Title VII dollars. At the same time, you must recall, the overall number of projects proposals submitted for consideration each year had been growing since 1975. So even though the percentage remains the same, the competition for awards and the number of overall (and Indian) awards has grown -- and certainly the Indian English eligibility has had a hand in assisting in that growth. The increase in the amount of funding awarded to Indian projects -- 5.8% in 1975, compared to over 9% in 1981 -- also speaks to the same issue. The increased availability of technical assistance to projects and to school districts seeking to apply for funding, has also had a hand in this matter. As of course has the growing interest of Tribes in language maintenance and other ancestral language questions and the willingness of Tribes to see education programs address the whole Indian student, and not just the "part" of him which relates to the interests and needs of the non-traditional, Anglo world. (Greater detail on Title VII's support of Indian projects in FY '81 is given in Tables 1 and 2.

The application process

How do you apply for Title VII funds? The first, and most important steps are to determine (1) that you have a "limited English proficiency" "problem" within the students of your school; and (2) that the Tribal government, or other local authority for the children's home background, is willing to support the development of a program of bilingual instruction within their children's education. Step (1) will assure you that a case can be made for bilingual education in the school. Step (2) will assure you that community endorsement will accompany all of the tasks you now need to undertake to get a truly competitive proposal submitted to OBEMLA.

To prepare the proposal, you need to find out the number of (Indian) students in your school for whom "limited English proficiency" is a barrier to effective education. This can be done through standard test scores or teacher comments, but is better done by correlating performance on standardized tests with precise measurement of student home language and out-of-school language skills. Usually this is done through a household language census, though if a language dominance test is available for the Indian language in questions (very few are, unfortunately) the scores from that instrument would certainly suffice.

This information needs to be written up clearly and concisely, along with other background information identifying where the school is located, the demographics of the school district, and the like.

This information then becomes the basis for the "plan" which you want Title VII funds to support. The plan can focus on one of several goals, usually centering on the introduction of home language instructions and home language arts into the curriculum (in some coordinated way) or the training of parents and community persons in ways to strengthen language skills outside of the classroom. These are tasks Title VII lets the local school district undertake at that level. For other functions -- e.g. training of teacher aides, retraining of certified teachers as teachers of bilingual education, materials development, basic language research, and the like, the plan needs to be designed in conjunction with other Title VII projects in the area, usually under the auspices of a local or regional college or university which becomes the recipient of the award on the schools' behalf.

A third component of the application needs to be mentioned: the evaluation plan. Title VII has become very concerned in recent months (as has the Congress) that Title VII projects are not meeting the goals for which they were originally funded. Several major national studies -- notably, the AIR Report of 1978, claimed that many projects operated in strict violation of the legislation itself, using Title VII funds only to maintain and strengthen home language skills, not for providing instruction leading to a transition to English. So Title VII authorities now need every assurance that the project, if funded, will do what it set out to do. Often, developing some linkage with one of the evaluators known and trusted by Title VII authorities will be sufficient to address this need. Some plan for systematic review of project goals, as well as for a summative evaluation at the close of each project year is essential, if the proposal is to compete effectively with other applications from other school districts.

The future of this program

What about the future of Title VII? Will it have a role to play in American education under the framework of the "new federalsim"?

In some ways, the status of Title VII is secure. Title VII was not, for example, included in the "block grants" made available out of the Department of Education to the SEA's. Nor was there any serious discussion that it should be. Funding for some parts of Title VII was recommended for cutback in FY '82 and '83; basic project assistance did not suffer too greatly even under those reductions. That the administration recognizes the "special nature" of this program seems clear from both sets of evidence.

What is less clear, however, is the Administration's overall position on bilingual education and "language rights". Soon after taking office, the Secretary of Education recalled the regulations which were being used to guide the Department's attempts to monitor school compliance with the Supreme Court's LAU decision -- the 1974 decision which found it a violation of student civil rights to deny him access to programs of instruction made available to other students simply because the student does not speak English fluently. What the Department proposed in place of the regulations gave school districts much greater leeway and flexibility in addressing the language needs of these students and in what they had to do to demonstrate to the Department's Office of Civil Rights that they were in compliance with the law.

Such local flexibility, you will note, is partially -- but not totally consistent with Title VII. Title VII rules and regulations do not allow for English-only instruction with its funding; the amount of flexibility afforded to a school district is restricted in this sense, because some use of student home language skills must be provided in a Title VII format.

This was the very aspect of the LAU regulations which caused the greatest objection from school districts. And the Administration's revised guidelines were designed to eliminate any home language instruction requirement under LAU. So few were surprised this spring when the Administration and Members of Congress began proposing revisions in the Title VII Act itself, revisions which would increase the role of local school districts in deciding how Title VII monies should be spent; and would decrease the amount of control and oversight the federal level would have over those uses. English instruction was given a much larger role to play in the Title VII curriculum, so much so that in reality the Act would no longer support bilingual education and thus would need to be renamed to reflect its more "mainstreamed" orientation.

To date, neither the Administration's proposal nor that of Senator Huddleston (R-Kentucky) has received much credibile attention on the Hill. Hearings were held on both proposals early this summer, with informal understanding that no further action on either proposal would be undertaken by the Senate Labor and Human Resources Committee. (House interest in the proposal is even less evident, the House Education and Labor Committee serving as the architect for many of the 1978 amendments which both proposals would attempt directly to reverse.) So for the present, we can conclude that Title VII will continue to provide support of programs of ancestral-and-English language arts instruction in those school districts where student "limited English proficiency" needs require this approach be used in local education. It is up to school districts, parents and Tribes to keep Congress fully informed on the enduring need for this legislation in Indian country, and on the impact which any changes in current practices might have on availability and the quality of services under these programs.

NATIONAL CONGRESS OF AMERICAN INDIANS, 202 E Street, NE, Washington, D.C. 20002

TESTIMONY ON PROPOSED TITLE VII AMENDMENTS,
BEFORE SENATE LABOR AND HUMAN RESOURCES
EDUCATION SUBCOMMITTEE, APRIL 26, 1984.

Mr. Chairman, my name is Ron Andrade. I am executive director of the National Congress of American Indians. With me today is Dr. William Leap, the Education Director for the organization. We are here today to speak on behalf of the 170 Indian Tribes which are members of NCAI, and to examine the proposed Title VII amendments in the light of their concerns.

Title VII occupies a critical place in the educational services provided to the Tribes by the Federal government. 206 different Indian languages are spoken by the Tribes. Students representing 95 of these language backgrounds -- students enrolled in BIA, public, Tribally controlled, and contract schools -- are receiving Title VII services. The actual language arts instruction supplied by these programs varies widely from site to site; there is great variability in the use made of ancestral language development by these programs, for example. Still, it is clear to Tribes that Indian children have to learn to survive in a predominantly English-speaking world. Hence a stress on the development of effective English language skills is always integral to these programs, regardless of Tribal context.

Mr. Chairman, NCAI voices great concern over many of the amendments under discussion before this committee today. Many, if enacted into law, would seriously disrupt the progress in Indian education which Title VII has helped bring about in recent years. Perhaps more seriously, they would prevent Tribes not currently served under Title VII from utilizing to their fullest advantage the benefits which bilingual education can bring to the Indian student's schooling experience.

It is proposed to change section 703 (a) (4), so that Title VII programs would be defined solely in terms of English language acquisitional goals. Such a definition excludes any reference to the critical role played by ancestral language instruction in Indian Title VII programs. It also excludes any requirement that ancestral language arts be included in Indian schools receiving funding under the Act. We remind you, Mr. Chairman: this was the way Indian students used to be educated before Title VII became enacted: English was the only language used, and the only language permitted in the Indian classroom. The high incidence of English proficiency problems among the national adult Indian population shows that Tribes are still suffering from the effects of those restrictions. We ask you not to impose those restrictions on the Tribes once again.

7. The proposal to free the school district from the use of any required instructional strategy in its Title VII program strikes a serious blow at Tribal self-determination in education. We agree that there must be local flexibility in program design, so that the most appropriate remediation strategy can be supplied to Indian students at each site. If, however, local decisions of this nature are to be made, they must be made with the consultation and active participation of the affected Tribes. School districts cannot be given exclusive responsibility for the setting of policies in Indian education. Under the current system, Tribes are involved in every stage of the process of program design: NCAI wants to see that involvement strengthened, not diminished.

8. It isproposed that teachers in Title VII programs need be proficient only in English and that ancestral language proficiency not be a requirement in their jobs descriptions. This proposal, will prevent Indian Title VII projects from involving parents, Tribal elders, and other adults from the home community in the primary instructional tasks of these programs. The contributions these people can made to program effectiveness cannot be disregarded or so lightly dismissed. Their value here lies in their knowledge of traditional culture and of the relevance of those traditions for modern-day problem-solving -- communication problems included. Such information can never be supplied by English dominant, non-Indian instructional personnel, regardless of their commitments and sincerity. English proficiency is not the only prerequisite for professional involvement in Title VII programs, nor should it be.

9. The plan to treat as Title VII priority only those students whose 'usual languag' is other than English is not compatible with the eligibility extended to Indian students under section 703 (a) (1) (C) of the Act. Just because an Indian student's 'usual language' is English, and not the language ancestral to his Tribe, does not mean that the student is free of English language proficiency problems. Frequently, we find, the English of Indian students from a particular Tribe will contain pronounciation patterns and rules of sentence form which are characteristic of their Tribe's Indian language; this happens even if the students themselves are not speakers of that language and do not not use the language in daily conversation. As you might expect, such combinations of Indian language grammar and English vocabulary will often make speaking, reading, writing, and understanding English a very difficult task — especially within a classroom context. These are English language proficiency problems, Mr. Chairman; these are limitations of English language skill. And it seems foolish to exclude students with such problems from Title VII priority, especially since the Act now recognizes the seriousness of the Indian English problem and the responsibility Title VII has to respond to it.

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A.N.A. Transfer

Background:

The FY '84 budget as proposed by the Administration calls for those programs now administered by the Agency for Native Americans (ANA) to be transfered to the Bureau of Indian Affairs. To quote from the Administration's FY '84 Budget submission:

> "Grants to federally recognized tribes will be administered by the Bureau of Indian Affairs beginning in April 1983. Grants to non-federally recognized tribes will be phased out over a 3 - year period."

Presently, A.N.A. is a part of the Office for Human Development Services within the Department of Health and Human Services and has been there since 1973. The proposed transfer is being viewed within the Indian community with great concern and is opposed by both federally and non-federally recognized Indian tribes and organizations alike.

Rationale for Opposing the Transfer

Tribal opposition to the A.N.A. transfer to the Bureau of Indian Affairs is based on a variety of reasons, however those most paramont are:

1) Violation of Congressional intent — P.L. 93-644, Title VIII.

Congressional intent via the House Report (House Rept. 93-1043) was that Native American Programs (NAP) should coordinate with other human service programs administered by HEW (HHS). Congress envisioned the success of NAP to be dependent on the flexibility of the arm (office/component) within the Department which was to administer the program. By its very nature NAP was to offer the constituencies it served an innovative approach toward solving their economic and human services problems. It was also made clear in the House Report that this program should

competitive program to a Bureau mind-set of operating entitlement programs of varying degrees via the Snyder Act and P.L. 93-638, could cause the kinds of programs now funded by ANA to lose their flexibility and innovativeness and to become subject to a different kind of bureaucracy which might be more susceptible to tribal politics at the BIA Area and Agency level.
The BIA has no grant processing system and would have to start it from scratch. And, in addition, there are no plans for ANA personnel to be transferred to the Bureau.

5) ANA has worked well within HHS.

It makes little sense to transfer a program to another agency if the only rationale for the transfer is to save money (this appears to be the rationale as the Administration is using the Economy Act as its authority to initiate the transfer). There has been no evidence brought forth to this point to show that the cost of administering the program will be reduced other than through the reduction and/or elimination of the program in its present form. At the very least, the Congress should request a audit of the NAP program by the General Accounting Office, to determine the present effectiveness of administering the program versus transferring it to the Bureau of Indian Affairs.

6) ANA grants and contracts to urban tribal groups and non-federally recognized tribes will be eliminated which will be in direct violation of the law and which will be socially and eocnomically discriminating toward those tribes currently seeking federal recognition or who plan on doing so in the near future.

The Congress made it clear in defining the purpose of NAP that it was also the intent of ONAP to "build the capacity of tribal governments and off-reservation Indians to make decisions and to manage programs which affect their social and economic conditions." To address this, the Congress specified that one of ONAP's activities should be to build the capacity..."for off-reservation Indians to develop the capacity for linking into human services delivery systems supported primarily through federal governmetn, state and local governments."

In addition, both the House and Senate made clear during the deliberation of this legislation on their respective floors that non-federally recognized tribes be deemed eligible. It should be also be noted that Section 812 (c) of Title VIII, P.L. 93-644 states that in the event a transfer of funds occur within the departments that "such funds are" ..to be.." used for the purposes for which they are authorized and appropriated."

The Administration's proposed elimination of the non-recognized component of ANA would appear to be a violation of that section.

A.N.A. Transfer and the Non-federally Recognized Tribes

If the proposed ANA transfer occurs, present ANA grants and contracts to urban tribal groups and non-federally recognized tribes will be eliminated which will be in direct violation of the law and which will be socially and economically discriminating toward those tribes currently seeking federal recognization or who plan on doing so in the near future.

The Congress made it clear in defining the purpose of Native American Programs (NAP) that it was also the intent of ONAP to "build the capacity of tribal governments and off-reservation Indians to make decisions and to manage programs which affect their social and economic conditions." To address this, the Congress specified that one of ONAP's activities should be to build the capacity "..... for off-reservation Indians to develop the capacity for linking into human services delivery systems supported primarily through the federal government, state and local governments.

In addition, both the House and Senate made clear during the deliberation of this legislation on their respective floors that non-federally recognized tribes be deemed eligible. Note comments made by Congressman William Cohen from Main, now the State's distinguished Senator and former Chairman of the Senate Select Committee on Indian Affairs, while offering an amendment to the House bill which made clear that Indians living off-reservation and who were members of State recognized tribes were eligible under the Act.

> "The amendment which I offer is simply intended to clarify the definition of Indian Reservation under the Bill. Although it appears in the Committee's Report that Indians residing on State Reservations will be eligible for the services of this Act, I believe this language will remove any question in the matter which in later years could be used to discriminate against these individuals."

Congressman Cohen went on to say (emphasize) the importance of establishing NAP within the Department of Health, Education and Welfare.

> "I commend the Committee for their foresight in establishing the NAP within the Department of Health, Education and Welfare because of the inter-relationship between various HEW service programs and those funded by the NAP. This approach has worked well to increase the economic and social service self-sufficiency to the Indian people in my state."

THE TRANSFER AS PROPOSED WILL NEGATE ONE OF THE PRIMARY PURPOSES OF THE ACT— the off-reservation and non-federally recognized Indian.

Mr. **Andrade**. The final statement I would make is this. In the small tribes initiative and in the economic development program, NCAI took the position in January, that they were hopeful that the President's policy statement would set a beginning from which we could discuss with the administration.

Those discussions have yet to take place. We have been only 1 month since January 24 which was the official announcement date of the Indian policy statement.

One problem that surfaced is this. I was just notified while I was there in California that the California tribes which fit within the small tribes designation were notified that they would have to identify their trust funds, the availability of their trust funds before they would be eligible for the small tribes initiative funding.

I reviewed the regulations again with the Bureau just 2 days ago. There is nothing in the regulations that specified that a tribe must put up its trust funds to be eligible. Yet, the Bureau has notified the California southern agency that it is required. They must put up their trust funds or have them reviewed. This will totally frustrate that program. No tribe is going to enter into the small tribes initiative if they feel that their trust funds are going to be endangered by a program that is supposed to help them clean up their management. It is not a program to clean up their trust funds. It is not a program where they are supposed to put up their trust funds.

If a tribe is going to have to endanger its trust funds, I do not know why they would apply for the small tribes initiative. It is not that kind of offering. We did not expect it to be that way. That would be my closing statement to you.

We saw the President's policy statement and the whole small tribes initiative and the economic development as a beginning. We did not think we were going to trade, nor did we think anyone would ask us to trade off our health, or education, or social welfare program for the Indians on the reservations. That is not an offer we will do. We do not believe there is a trade here. We will not take any program where we feel that we will endanger the health or education programs of our people.

As in everything else, we feel that there has to be a balance between the two, and in all forces of nature there has to be a balance there between the two, both in the development for our people but also for the protection of our social programs.

I think that is what we would ask this committee to do, that is, to protect that kind of balance and restore that balance. We hope that this committee will assist us in that.

Thank you.

Mr. **Taylor**. I would like to ask a question or two which can go to any one of the three of you, or perhaps Pat Locke or Maxine Edmo.

The first question is on the small tribes initiative. Ron, you mentioned this memo regarding the California tribes and that they would be required to in some way obligate their trust funds. Do you have any memoranda on that that we could get?

Mr. **Andrade**. Yes, I could probably present it to the committee within a couple of days. I was just with them, and they showed me their notes from their meetings, and I believe it was put out by the southern area agency office.

Mr. Taylor. I have a hard time understanding that too because, as I understand that program, it is supposed to be one of support of the Government; it is not as if it is an economic development program with some sort of matching funds, so I would be very interested in that.

Mr. Andrade. That is my understanding as well. I also talked to Mr. Krenzke and Mr. Fritz, and they both said that this is incorrect.

I said that it did not change anything as to what they said here, if the southern area office in California is telling the small tribes that they have to commit or have a review done of their trust funds because they just will not participate.

Mr. Taylor. Pat Locke and Maxine Edmo, this question may relate more to your area.

We talked about the prekindergarten program which I assume is the same thing as Head Start. Do tribes get Head Start money from Health and Human Services?

Ms. Locke. Head Start moneys are for individuals who are below a certain income level. I know that some Pueblo Tribes have been much upset by this because they want—if the parents decide that they want Head Start early childhood programs, then certain numbers of children are excluded because their father will have a job, let us say, of $13,930. Then they will be excluded. They want all of the children to have an early childhood experience, especially if they are so isolated that they cannot have access to any other kind of program.

So, those children do need to be served. The tribe and the parents decide. But Head Start is not available, so we have to have that from somewhere. What that forces a tribe to do is to kind of violate the law. And, that is wrong.

Mr. Taylor. I have a last question. In light of all the testimony that we have been receiving, this is going to seem terribly trivial. But inasmuch as we have to write our report over the weekend, it is a point that I would like some clarification on so that we would have some sense of direction in what we are doing.

I am looking at the BIA budget justification for fiscal year 1984 on page 53. I just want to read a couple of sentences and then have some response to it. This is the special higher education program. The proposal is as follows:

> The fiscal year 1983 appropriation provided an additional $1 million for the special higher education program. Of this amount, $800,000 was specifically designated by Congress from tribe agency funds for locally awarded graduate scholarships. Since graduate students are eligible for grants awarded locally, it is proposed for fiscal year 1984 that $80,000 be returned to the base program for higher education student grants, the funding of which is determined by tribal priority process.

Why did Congress specifically set aside the $80,000, and should we accept this recommendation or oppose it? I am completely in the dark on it and would like some guidance.

Ms. Locke. I think that Congress is made to be confused about the number of students who are actually in college. The National Center for Educational Statistics, 2 or 3 years ago, said that there were 78,000 native Americans in college when actually at that time we had 20,000 in college. So, there is a large discrepancy there.

In checking with the National Center for Educational Statistics, they said that there were actually native Americans who had signed up with colleges as native Americans because they thought they were born in the United States. So, that skewed the information.

The amount that the Bureau has requested for graduate scholarships is really woefully inadequate. I understand that 174 students who applied for graduate scholarships were turned away last year, and even those students who are receiving graduate scholarships do not get the full amount.

It costs approximately $7,000 as an average for undergraduate programs and up to $20,000 for medical students.

So, they are having to get by on much less than they need, but there is this great attrition rate that we are aware of.

Mr. TAYLOR. I can well comprehend the shortfall problem, but what is apparently being proposed here is to take this $800,000 set-aside, which I assume has been administered at the central level and was specifically earmarked for this special higher education. They would put it back into the line item for tribe-agency level where the tribe apparently has input in the award of these grants.

I assume Congress had some reason to have set this thing aside to start with.

Ms. LOCKE. I see what you are saying.

I do know that some tribes want to administer their own postsecondary programs in combination with some State programs that they want to have. I do not think there has been a hearing about that or a full understanding of this change from going to the American Indian Scholarship Services to all tribes. But I do know that there is not enough money for a tribe which might have 12 students who might want to go to medical school. So, that is a dilemma.

Mr. TAYLOR. You have led me to the second point.

Is this proposal directly affecting the American Indian scholarship program?

Mr. ANDRADE. Yes.

Ms. LOCKE. I believe it is. I think that they are saying that they want to take the money from the Indian law program and the Indian scholarships program because, perhaps, there have been requests that tribes do want to administer that money themselves.

Mr. ANDRADE. My understanding is that they have specifically stated that, due to the increase of the agencies, the tribal agencies making their own requests, that we can now begin to reduce our necessity to continue the American Indian scholarships and the Indian law program.

We challenge that. We do not believe that they have the adequate data or information to prove that. They have just made a determination on their own based upon wherever BIA picks up its figures from. We will also check on the $800,000 for you. We can know that in a few hours.

Mr. TAYLOR. In light of what you have just told me, I think I understand it a lot better now.

I would just make a comment. It is my understanding that the American Indian scholarship operates with an extremely low administrative overhead. It is a very cost-efficient program. I assume that is true of the law center down there too. Your comments have helped a great deal.

Mr. ANDRADE. We have been supportive of both programs for a long time, and we see no reason to change our support for them. They are very well run programs.

Mr. SAVILLA. Mr. Chairman, I would just like to add to the record that Ms. Pat Locke and Ms. Maxine Edmo are with me as members of the National Tribal Chairmen's Association Education Committee.

Mr. WOODCOCK. Thank you.

We will now turn to Charles Helseth, special consultant to the Intermountain Inter-Tribal School Board in Utah.

STATEMENT OF CHARLES HELSETH, SPECIAL CONSULTANT TO THE INTERMOUNTAIN INTER-TRIBAL SCHOOL BOARD, UTAH, ACCOMPANIED BY ALFRETTA M. ANTONE, VICE PRESIDENT, SALT RIVER PIMA/MARICOPA TRIBE, SCOTTSDALE, ARIZ.

Mr. HELSETH. Mr. Chairman, I am Charles Helseth, special consultant to the Intermountain Inter-Tribal School Board. I am a past member of the board, the board's former executive director, and I served as a member of the 1973 Study Commission on Intermountain School.

Today I am testifying before the committee on behalf of the Intermountain Inter-Tribal School Board. The BIA has stated that our school is not cost effective, that there is no need for our school services, and that our Indian students can receive the same services in a cheaper setting.

We are here today to present proof to the committee that the BIA's data is inaccurate and in some instances untrue. In addition, we are prepared to offer information and data that demonstrates that the school is a national Indian school with students being enrolled from 60 different tribes and 22 different States.

Prior to the enrollment-restrictions imposed by BIA for the 1982-83 school year, Intermountain School served students from 90 different tribes. The decision to close Intermountain School must involve more than the Bureau of Indian Affairs and the representatives of one State. And 90 tribes and 22 States are involved in receiving its services. It is a national issue.

The testimony of NTCA will support this school board's position on this matter, therefore, it is properly a decision for the representatives of many States, rather than those of one State.

In addition to that, the tribes have received no consultation regarding the closure of the school. What the Bureau has attempted to call consultation simply has really not taken place.

We are asking this committee to consider this matter very carefully. It is a decision that will affect the lives of 800 to 1,200 Indian children each year. If our research is proven correct, at least one-half of these children presently attending our school will never attend school after IMS' closure.

We are asking that the Congress and the administration not balance the national budget on the backs of these Indian children.

Intermountain School conducted a study of its 1981 school population: 70 percent are public school dropouts; 63 percent came directly from reservations; 50 percent are 4 more years below grade level in academic achievement; 53 percent required the intensive residential guidance program; 75 percent come from unstable family home life; 50 percent are below the poverty level; 51 percent of the students have as the primary language of the home the tribal language; and 12 percent or more are eligible for Public Law 94-142, handicapped services.

We believe that the school probably has assembled the greatest array of educational services in one location that has ever before been done for Indian children.

Intermountain School, as far as I know, is the only boarding school to have a complete mental health program with a fully staffed outpatient mental health clinic. We have not just an alcohol program where the students receive perhaps an hour of class time in alcohol education, but we have a fully staffed alcohol program that is maintained 7 days a week during the off-class hours as well as an educational program that all of the students receive during regular academic hours.

Up until this year, this school operated a solo-parent program and has a very extensive facility for the program. We have 36 students enrolled. Out of those 36 students for the previous year, 19 graduated. Since then, the Bureau has seen fit to disassemble the program and has reported to the Congress that they are moving it to several other schools. We have just received data saying that out of those 36 students who were supposedly transferred to the other schools they salvaged two. The balance dropped the program.

Some interesting data that we have accumulated out of our 1980-81 student body is that 54 percent of the 1980-81 Intermountain Inter-Tribal School graduates found employment. Thirty-four percent have continued their education. And only 12 percent have joined the military or are unemployed.

I think that record would speak well for itself. The Bureau has been constantly reporting that Intermountain School is underenrolled. The total enrollment as of September 11, 1981, was 857 students, which was 107 percent of our authorized enrollment. For the past 5 years, the school has either been overenrolled or very, very close to the authorized enrollment ceiling which the Bureau had set at 800 students.

As well, the Sherman High School was 107 percent, in actuality, of its authority enrollment.

The Phoenix Indian School was a little bit under with 71 percent. The Bureau is quoting figures that all of the boarding schools are only enrolled at 70 percent, when in actuality it was only one school.

Intermountain School had a waiting list in 1981 of 125 students. It is maintaining a waiting list closer to 200 students because of Bureau restrictions for this year.

Again, the Bureau is saying that the school is out of line and not cost effective when in actuality in fiscal year 1981 Intermountain School's per pupil cost, total per pupil cost was $7,727 per pupil.

The Phoenix Indian School was $6,803. Sherman Indian School was $7,908. Of the three large schools, Intermountain was second in cost.

Again, the Bureau is constantly saying that the Intermountain School facility is very costly and expensive to operate when in actuality of all of the major boarding schools, off reservation, in 1980 we were 13 percent below the average cost. In 1981 we were 31 percent below the average cost per pupil for facilities.

In 1980 the average cost for all of the boarding schools was $2,451, whereas Intermountain School came in with $2,130 per pupil. The average cost in 1981 was $2,903 with Intermountain coming in with $1,903, which was 31 percent below the average cost.

Mr. TAYLOR. You are talking about below the average cost of what; other BIA boarding schools?

Mr. HELSETH. Well, we have provided a chart that will show you the cost per pupil for facilities, for facilities operations of all the boarding schools. We took an average of that and we took Intermountain's cost, and for the first year it was 13 percent below that average and in 1981 it was 31 percent below that average.

We are providing for the written record our 5-year enrollment history which shows that we were down enrollment only for this year where the Bureau restricted our enrollment to 400 students and would not allow us to enroll freshmen students. We have broken down the data of the $3,100 cost which is the academic and administrative cost, the residential cost and facility-operation cost so that the complete information is available.

Again, we have gone back historically, and we are providing you with a different cost analysis that includes both 1979, 1980, and 1981. This is for all of the schools, as well as just Intermountain School.

We are actually providing two budgets for 1984, and we have asked for no more than the regular funding formula that the Bureau uses on a per pupil basis to fund any or all of the schools. We have provided that for a cost of 800 students and a second budget if it was at 1,200 students. The total capacity of the school, if it were allowed to enroll students to its capacity, is 1,200 students. That is the maximum.

In addition, the Bureau has some concerns regarding surplus buildings that are on the campus. We are providing with our written testimony a letter from the State of Utah in which the State has made an offer to the Secretary of the Interior to lease all excess buildings and assume responsibility for their maintenance.

In conclusion, the Intermountain Inter-Tribal School Board is requesting that the Congress authorize Intermountain Inter-Tribal School to operate for the next 3 years at an authorized enrollment level of no less than 800 students and no more than 1,200 students. The school should be a national school and authorized to enroll students from any federally recognized Indian tribe.

If the school has 800 students, it will require an fiscal year 1984 appropriation of $4,966,174. And, if the school has an enrollment of 1,200 students, it will require an appropriation of $7,449,262. These figures are based on the BIA's own standard per pupil funding formula.

We are also requesting that the BIA provide the National Tribal Chairmen's Association with $280,000 to conduct a study to make recommendations on the future direction of Indian education. It would be an all-Indian study commission on Indian education with full participation from the Federal tribes. During the time that the study is being made, 1 year, no school, no educational program would be closed or discontinued.

A third request is that the Bureau of Indian Affairs provide, above and beyond the regular budget of Intermountain School, $450,000 to be used to begin to remove the excess buildings on the campus, which will immediately begin to have a dramatic effect on the facility cost of the school.

We would like for the school to be allowed to enroll students from the 9th through the 12th grades from any and all tribes.

We would like the restoration of all lost programs and services cut during the 1982-83 school year. This would include the solo-parent program.

In addition, we are concerned about the other schools. We think that these conditions should apply to all of the off-reservation schools. We also understand that in the 1984 budget funds are not available to operate SIPI from the direct employment and vocational training line items. They are simply not there in the President's budget.

In addition to the information that I have, we have Mr. Don Mendez who is chairman for the inter-tribal school board.

Mr. WOODCOCK. You may proceed. I am going to excuse myself and turn the Chair over to Peter Taylor.

Mr. TAYLOR [acting chairman]. Mr. Mendez.

STATEMENT OF DON MENDEZ, CHAIRMAN, INTERMOUNTAIN INTER-TRIBAL SCHOOL BOARD

Mr. MENDEZ. I want to thank the committee for this opportunity.

My statement is going to be short and sweet. I think you all have heard enough from our tribal representatives stating their opposition to the closing of our school at Intermountain.

My name is Don Mendez. I am affiliated with the Papago Tribe. I am the Papago Tribe's representative to the school board at Intermountain.

I have a message from our students at Intermountain and their plea is only that their school and all the other boarding schools—and that includes our Native brothers in the State of Alaska—that these schools remain open. They know the need, and they understand fully the fact that they are the future leaders of our Indian tribes here in the United States, including the State of Alaska.

Our tribal support throughout the United States has really been responsive. We have over 40 tribal resolutions supporting the school board at Intermountain to apply and ask for a 638 contract to operate the school if it is not funded by the Bureau. We feel that with that support that this contract should be honored. We are hoping that the committee will someway recommend that this contract be honored. It has been denied once, and it is being appealed at this moment.

In closing, I would like to thank the committee for listening to our plea. I know that if the students were here—and they chose to send four tribal leaders out of student funds that they have—they would like to impress on the committee their desire for future students at Intermountain and that that opportunity be given to them.

I would like to make an additional request that the early childhood program and our adult programs also be funded again.

Thank you again for this opportunity. We really appreciate it.

Mr. TAYLOR. Thank you, Mr. Mendez.

Mr. HELSETH. One additional thing that we are concerned about is this. The Intermountain Inter-Tribal School Board has been formed for the purpose of providing tribal input into the operation of the school in accordance with Public Law 95-561. The board has communicated with the Bureau of Indian Affairs a number of times in writing and has made all types of efforts to have input into the future of the school, and, as with many of the school boards during this whole process of talking about closure, they have been ignored.

The person who has just stepped up to the witness table is Mrs. Antone from the Salt River Pima Tribe. She is the vice-chairman, and they enroll a considerable number of students at Intermountain School.

Mr. TAYLOR. Mrs. Antone?

STATEMENT OF ALFRETTA M. ANTONE, VICE PRESIDENT, SALT RIVER PIMA/MARICOPA TRIBE, SCOTTSDALE, ARIZ.

Mrs. ANTONE. Thank you. My name is Alfretta Antone, and I am vice president of the Salt River Pima/Maricopa Tribe in Arizona.

I would like to make my statement brief also. I would just like to say that we fully support the efforts of all the tribes that are opposing the closure of Intermountain Boarding School. Some of these tribes have a large number of children who attend the school, as well as our tribe. In the past, I know from experience, I have seen some of these young people who have graduated from the school and have come home to contribute their talents to our community.

Some of them choose to go on to higher education. I know that these children—we have visited the school on certain occasions—seem to enjoy being there. I think it would have a great effect on them if that school were to close and they were to go elsewhere.

On one of the occasions when we visited the school, I was very impressed with the programs that they had. I think this is one of the reasons why a lot of the tribes object to the closure.

We are deeply concerned about this. Our Indian children are one of our most valuable resources. These are the people we are looking up to for the future.

Again, I would like to state that I strongly oppose the closure of that school. Thank you.

Mr. TAYLOR. I do not have a great number of questions. I would just like to note for the record that we have been joined by Paul Alexander who is going to become our staff director. He will be succeeding Tim Woodcock.

Does your written statement on Intermountain deal with the question of the cost of rehabilitation of the facilities to bring them up to the necessary standards? I know that the Bureau has carried in its budget justification, in past years, a figure of about $11.5 million to be required to bring the facilities up to a certain standard.

I believe you have had this facility examined by State inspectors and have a very much lower figure than that. Could you elaborate on that?

Mr. **Helseth**. The architect for the State of Utah and several engineers have examined the facility following the Government report, and their report disagrees greatly with what the Bureau had said. I think the Bureau came up with a figure of $11 million. The architect's figures came to this. If instantly we brought everything up to code in those areas to satisfy State requirements, then the cost would be around $2.5 million. However, in his report he also says that there are no serious violations and that building codes are updated every year and that public facilities do not normally every year update their buildings. This is done as you remodel major areas and do normal maintenance and this could be done over a period of years. There are no serious violations. We could provide that with out written testimony.

Mr. **Taylor**. I think that would be helpful.

And, you also indicated that in your future plans for Intermountain, if it remains open, that certain buildings would be torn down which would reduce the cost of maintenance and operation.

Mr. **Helseth**. Yes; our plant management people sat down with us and worked on this. For the cost of $450,000, which could or could not be done all in 1 year, we would remove nine buildings which are excess to the needs of the school, and that would pretty much eliminate the problem of the excess buildings, considerably lower our costs, and bring the plant more in line with a standard school plant.

Mr. **Taylor**. I would make the observation that the BIA budget justification on page 29 indicates where children from four different boarding schools would attend school in the future if the boarding schools are closed. It shows a student population at Intermountain right now of 228 which I know is way, way below the capacity of the school. I think you have handled that well with the fact that there has been a waiting line, and there have been impediments to bringing these students in which have been put there by the Bureau itself.

The point I wanted to make is that out of the current 228 students who are in the school, only 58 of them would go to public school. All the remainder would go to other BIA boarding schools, and in a few instances tribal contract schools. But the vast majority are going to be going to other boarding schools.

So, while it may help make the operating costs of those other boarding schools come down on a per-student count, it seems to me that what we are doing here is robbing Peter to pay Paul, and I am not at all sure I understand the logic behind this.

Mr. **Helseth**. First of all, there are not 200 and some students. I realize that is what the Bureau is reporting. I did a quick check just before I left, and that is what is in our written testimony. The Bureau limited Intermountain's enrollment to 400 students. This was imposed upon the school. This week, just before I came here, our enrollment stands at 396, with approximately 200 students on the waiting list. They denied us the possibility of enrolling freshmen, and we have a continual waiting list that is growing of freshmen students who are attempting to enroll in the school. We are not allowed to enroll them at this time.

Mr. TAYLOR. It is your opinion that if you were allowed to enroll students that you could easily have this school at its maximum capacity?

Mr. HELLSETH. Yes; I think so. The Bureau itself is admitting to a dropout rate of some 70 percent. We had a conversation with the Navajo Division of Education for the tribe just before I came here, and just with that one tribe they are admitting to 4,000 students who are not in a classroom.

Obviously, the need is not being met. The school, obviously, had never had a problem of maintaining its enrollment.

Ms. LOCKE. Mr. Taylor, this placement program that has been planned by the Bureau is not realistic because all of the students whom Mr. Hellseth referred to, about needing intensive residential guidance programs and all of the severe problems that these students have—I cannot imagine that there would be group homes available now. I know they are not available for these students to attend other public schools.

We know that a couple of tribes have group homes right on their reservations where there is a nurturing and intensive kind of supportive program. But we do not even know what those cost. We have not done a study on that.

We believe these students would require that. Those are not available nor are they available to such a degree in other boarding schools as they are now at Intermountain.

Mr. TAYLOR. I do not have any further questions on this, but I would just like to note for the record that Paul Schneider has asked me: "What is wrong with robbing Peter to pay Paul?"

I might have some objection to it.

Mr. HELLSETH. The only thing that we really would like to request is that we have just found out, yesterday as a matter of fact, while we have been up here visiting with committees, that the Director for the Office of Indian Education programs has informed us that the central office will order the RIF notices to go out on all employees at Intermountain School as of March 1.

As I have discussed with the committee staff, the congressional language in the appropriations bill specifies that the school will not be closed without the permission of Congress and even authorizes the school to enroll freshmen for this coming year and talks about no earlier closure than 1985.

In spite of that, the Bureau, with complete disregard for that, intends to begin the process of RIF on March 1.

Mr. TAYLOR. Mrs. Antone, did you have anything else you wanted to say?

Mrs. ANTONE. No.

Mr. TAYLOR. Ms. Elmo?

Ms. ELMO. One of the things that was not mentioned was the vocational educational program at Intermountain. As I stated before in my earlier testimony, at the time of the phase in of the 1983 formula, vocational education was not included in the formula, and Intermountain had a very good program.

The students at one time built a home from the architect's stage, the drafting stage, to the completion of the house with the wiring, the carpentry work, everything. Portions of those programs have been phased out.

Mr. Taylor. Is it because of the adoption of ISEF?

Ms. Edmo. Yes; because vocational education was not included in the formula. This is why I said that with the oversight hearings that these types of things would come out. They were supposed to have been eventually built into the formula, but they never have been. With the loss of those, then the program money went and the staff and everything. That is the problem created by the phase in of the formula. Standards were supposed to have been implemented, and they never were. A year later they were supposed to have been phased in. So, like I said, every year this compounds the problem. I really feel that the vocational programs were an important part of the Intermountain school program.

Mr. Taylor. And, the law required that the vocational education component be phased in to the ISEF formula.

Ms. Edmo. Yes.

Mr. Taylor. And, the Bureau simply has not implemented it.

Ms. Edmo. There were other things that were supposed to have been phased in over the years, but there has been no followup by the BIA to that.

Mr. Helseth. Just to give you an idea, standing right at the school at this time, we have seven vocational shops fully equipped, with everything except staff people, standing idle because of this situation.

Mr. Taylor. I would like to thank you for the testimony, and I hope that we can do something on this.

I would just make an observation. I got into Indian affairs in 1971 when I was with the Department of the Interior. I know as early as 1972 I have heard talk about closing Intermountain. It comes up every single year. I heard the frustration of Senator Murkowski today with respect to Mr. Edgecumbe. I do not know what we can do on this. We will certainly try to help to the extent that we can.

I think this is pretty potent testimony. We will see what we can do.

Mr. Helseth. I am aware of the Bureau having talked about it for about 10 years. But I suppose the Office of Indian Education programs have to have something to do.

Mr. Taylor. Thank you very much.

Our next witness will be Roger Jourdain.

STATEMENT OF ROGER JOURDAIN, CHAIRMAN, RED LAKE TRIBAL COUNCIL, RED LAKE BAND OF CHIPPEWA INDIANS; ACCOMPANIED BY DAN RAINCLOUD, COUNCIL REPRESENTATIVE, AND VERNA WOOD, COMMISSION OF EDUCATION, RED LAKE COUNCIL

Mr. Jourdain. I am honored to have three chairmen to present my testimony.

My name is Roger Jourdain, chairman of the Red Lake Band of Chippewa Indians in Red Lake, Minn.

To my right is Dan Raincloud, council representative, duly elected by the Red Lake Band of Chippewa Indians, and to my left is Verna Wood, representing the Red Lake Council as the commissioner of Indian education.

The reservation we represent is still the aboriginal lands of the Red Lake Band of Chippewa Indians with all of its aboriginal rights, traditions, and customs. This is why we are here to fight off and notify everyone of the constant threat of eliminating, phasing out the Indian reservations.

I am going to read the testimony that I prepared here for the Senate Select Committee on Indian Affairs before Hon. Mark Andrews, the new chairman of this committee.

We have three chairmen here to hear this testimony: Tim Woodcock, Pete Taylor, and the new staff director.

Mr. Chairman and members of the committee, my name is Roger A. Jourdain, chairman of the Red Lake Tribal Council for the Red Lake Band of Chippewa Indians located in north central Minnesota with a tribal membership population of 7,500 with approximately 5,000 of the members living on the Red Lake Reservation.

I appreciate this opportunity to appear before this distinguished committee to call your attention to the critical needs and concerns of the Red Lake Reservation relating to the fiscal year 1984 congressional budget appropriations and another issue which has set tribes back 50 years.

We hope this brief testimony will reflect the serious concerns of the Red Lake members and the deteriorating social and economic conditions on our reservation as a result of the drastic cuts on Federal programs and funds needed to maintain an opportunity for a decent standard of living.

Current budget changes of this administration and suggested by the Federal bureaucrats are arbitrary and are being made without understanding the short- and long-range effects on our members and tribal government. Most changes made in the Federal budgets of the BIA and IHS have no relation to the prioritized and documented needs of Indian tribes or to historic Federal responsibility. A continued loss of Federal responsibility to Indian tribes in the reduction of Federal funds, technical assistance and programs will clearly intensify our hardships as we attempt to shape a future of economic self-sufficiency on the Red Lake Reservation.

Another issue that I am compelled to bring to your attention at this time is the unprecendented, malicious and savage attack on Indian tribes by our so-called protector, Secretary James Watt, who charged that our reservations were festering with all types of European "social diseases." He publicly insulted and degraded Indian people, Indian leadership and called reservations national failures on national television. He said he has tried to liberate the Indians from Indian reservations—a proposed liberation which is nothing more than an underlying conspiracy to terminate all Indian reservations.

The national scandal of the American Indian's plight that he referred to is a personal admittance of his own failure as the trustee of all Indian reservations. He should be censured by Congress and forced to resign. We do admit to one special social disease and that is the long standing disease of poverty.

As you recall from history, treaties and agreements were forced upon Indian nations with cannons at our ancestors' backs as they signed those treaties. Today, we are merely trying to retain and protect the remnants of our aboriginal lands and rights and the few resources that we have left.

I must bring to your attention the fact that after World War I and II and the Korean War, the U.S. Government rebuilt war-torn Europe, Japan, and Korea with the natural resources which were stolen and taken from the American Indians.

Now, all we are asking is that the U.S. Government help us rebuild our reservations which have been ravaged by the mismanagement of the Bureau of Indian Affairs. To that end, and on behalf of the Red Lake Band of Chippewa Indians, I call for an immediate restoration of BIA and IHS appropriations and programs.

These appropriations will allow our tribe to do the following: No. 1, expand the tribal businesses for increased employment; No. 2, explore, establish, and attract private sector joint ventures to the reservation to reduce our 95 percent unemployment rate; No. 3, establish comprehensive natural resource management plans for our remaining timber and fish resources; No. 4, provide quality education to all our children on and off the reservation in public and boarding schools; No. 5, establish constructive youth activities to curtail increasing juvenile delinquency on the reservation; and No. 6, establish a comprehensive tribal administrative structure whereby the governing body is directly involved in the local BIA operations.

I wish to emphasize the frustration felt by our governing body and increasing social unrest which exists because unemployment is at an all-time high.

Therefore, Mr. Chairman, the Red Lake Tribal Council for the Red Lake Band of Chippewa Indians respectfully requests the following appropriations for fiscal year 1984:

As for the Bureau of Indian Affairs: economic development/employment, $2,500,000; natural resources development, $300,000; Indian education and assistance, $750,000; rights protection, $250,000; forestry development, $500,000; new facilities/maintenance-operation of juvenile treatment and intervention facilities and support programs, $500,000; Indian services and tribal administration, $350,000; and welfare grants and social service program, $250,000.

As for the Indian Health Service, it and the Red Lake Tribal Council over the years have made great strides in the improvement of the health care and health facilities for the Red Lake Chippewas. There are, however, several issues that need the attention and correction of the Congress and the administration, and several changes need to be made if we are going to continue to improve the health and health care of our Red Lake Chippewas and not regress as we are doing today.

The basis of all issues and changes is that the funding must be increased for Indian Health Service and tribes to: No. 1, continue, and at higher levels, the funding of the community health representative program; No. 2, continue funding of contract health care without interruption; No. 3, follow the intent of P.L. 94-437 whereby funding from medicare and medicaid is used to supplement and not supplant the Indian Health Service base funding; No. 4, increase the funding of the hospital and clinic portions of the IHS budget; No. 5, increase funding under Public Law 93-638 contracts in all categories of IHS budget; No. 6, to increase funding for tribal contracts so that goals, objectives, plans, and health proposals can be accomplished; No. 7, to provide funding for our extended care facility so that the project can be completed as designed; No. 8, to provide funding for our Ponemah clinic so that all patients can be treated equally without hardships; No. 9, to provide increased funding for physicians so that we can be competitive with private practices in the recruitment of full-time physicians who will stay at our hospitals and clinics for several years; No. 10, get out of the realm of having to operate by continuing resolutions; No. 11, to increase the funding of sanitation facility and maintenance operations to provide adequate sewer and water on our reservation; and No. 12, to fund the Indian Health Service budget directly by Congress instead of HRS, PHS, budget task force, where each of these agencies cut the IHS budget drastically before it gets to the Congressional committees.

If we are going to maintain any quality and quantity of health care, the funding of the IHS budget must be increased to adequate levels by Congress. We strongly recommend that all various levels of governmental agencies—as mentioned earlier—be removed and that IHS work directly with Congress.

It is the statutory trust responsibility of the U.S. Congress to provide for the health, education, and welfare for all federally recognized tribes, and so it is also the statutory responsibility of Congress to increase the funding levels of Indian Health Service to provide adequate health care and health facilities.

As for the overview of requests for BIA appropriations for economic development, let me say this, as for planning of training and technical assistance, the Red Lake Band will create a comprehensive planning division or purchase select services to assist us in exploring and analyzing potentials of economic ventures.

In terms of computerization, in order for the tribe to be competitive in any current or future business, a computerized process for daily reconciliation of financial transactions, activities, files, records, printouts will expedite reporting and decisionmaking for the tribe. Word processing equipment needs to be contemplated.

As for seed money, the tribe needs the basic source or working capital to initiate establishment or expansion of new and existing enterprises.

As for energy, the tribe wishes to explore wood burning plants or operations and explore the possibility of developing a hydro-electric energy plant that will provide lower cost electrical energy to the reservation and income to the tribe.

Now to natural resources development. As for timber management, the Federal Government via the Bureau of Indian Affairs is responsible for the management of the Red Lake Timber Mill. For the past 7 to 10 years, the mill has operated at a substantial loss, paid for out of Red Lake tribal funds. The BIA needs to repay the tribe on the operational loan and the tribe needs to play a greater role in the operational policies and decisions.

We need financial and technical assistance to develop a comprehensive management plan for the timber mill, including marketing activities, computer accounting and recordkeeping, funds for plant modifications to fit current market needs, and forestation and greenhouse projects.

As for fisheries management, construction and expansion of a hatchery operation is needed to augment fish propagation in our lakes. A comprehensive study of all species of fish in the lakes needs to be accomplished to better plan and manage the fish population as a long-range source of income and self-sufficiency.

As for wild rice paddies, we want to explore the expansion of our wild rice paddy operations as as source of added tribal income.

I turn now to new facilities: No. 1, construct modern juvenile treatment and intervention centers to provide important educational and psychological support; No. 2, construct facilities for extended drug and alcohol treatment; No. 3, construct sorely needed holding facilities to provide adequate space for men, women, and temporary holding facilities for juveniles; and No. 4, construct youth homes, shelters for battered women, and men, in times of crisis.

As for Indian services, we suggest the following: No. 1, law enforcement, more funding for adequate protection. Our law enforcement has never been adequately staffed. Law enforcement should be highly visible in the community; No. 2, rights protection, funds are needed for adequate protection of tribal resources that are constantly challenged through State legislation, court cases, private and corporate business development; No. 3, tribal courts, continued and augmented funding is needed to strengthen our court system through ongoing training and recruitment of court and law enforcement personnel; No. 4, 638 contracting, additional support funds are needed to strengthen tribal governments and the development of solid governmental administrative structures; No. 5, Indian education, continued and augmented appropriations for Indian students ranging from early childhood through adulthood. For example, Johnson O'Malley, postsecondary training, college scholarships, and vocational tuition are needed to provide our population with opportunities to improve employability and shape career goals. A hundred of our youth from the reservation are currently in boarding schools at Wahpeton and Flandreau, S. Dak. We are strongly recommending that all boarding schools remain open because there is an obvious need.

In summary, and in keeping with our treaties and agreements, we are asking that the budget appropriations be restored and augmented. We object to having the national budget balanced on the backs of the American Indians, the first Americans who are now the last Americans in their own country. We are asking that the Bureau of Indian Affairs be held accountable to Congress because they are certainly not accountable to tribes as they should be. We need Congress as our advocate because the Bureau of Indian Affairs has become an uncontrollable political monster who threatens and imposes illegal economic sanctions on tribes and their designated advocates in the event of any disagreement.

Last, we need a national Indian marshall aid plan to rebuild all Indian reservations.

On June 11, 1982, I appeared before this committee at this same table asking that the chairman then, Senator Cohen, and his committee make the Bureau of Indian Affairs accountable to someone. They are never accountable to the Indian people for whom they are working and off whom they are making their living.

I have another document here. It is a letter addressed to Hon. Mark Andrews:

> Dear Senator Andrews: I want to add for the record, an example of the threatening and intimidating actions of this uncontrollable political monster that the BIA has become under Secretary Watt.
>
> I place before you a memorandum that was brought to my attention yesterday afternoon. This memo, dated January 20, 1983, from Assistant Baldwin to Secretary Watt to the White House, is a scandal of major proportions because it reveals a colculated political vendetta planned by the Interior Department against Tribes and their organization, the National Tribal Chairmen's Association. It is also evidence of a libelous and malicious attack against our executive director of NTCA.
>
> We are told how the Interior Department planned to use the National Congress of American Indians against the National Tribal Chairmen's Association to "difuse" (sic) an "emergency" meeting called ninety (90) days in advance by the NTCA Board. Secretary Watt's televised hate message to the nation against Indians occurred just prior to that long planned meeting. The using of Indians against Indians is despicable and cannot be tolerated. On page 2, second paragraph of this memo, there is confirmation of one of our worst fears that the Interior Department puppets are out to get the Indian leaders by attacking the NTCA director, Elmer Savilla. Veiled threats have come from the Assistant Secretary's office of Ken Smith. Ken Smith is one of the outstanding Indian sell-outs and traitor to Indian people and he is a dangerous tool for Secretary Watt used to betray the Tribes. I can personally prove to you that this is not the first time that Mr. Savilla has been harrassed and threatened by James Watt and his irresponsible outfit just for doing his job under our NCTA Constitution and Bylaws.
>
> In paragraph after paragraph of this memo, there is evidence of the hundreds of man hours and thousands of dollars wrongfully spent to compile lengthy call lists, to telephone hundreds of Chairmen, to conduct interviews, to contact media reporters and editors in order to whitewash James Watt's inflammatory and destructive message.

For the record, he did not call Jourdain, the chairman of the Red Lake Band.

I continue to read:

> Our grandchildren, our children, and all of us throughout Indian country are still suffering from the racial hatred that James Watt has stirred up.
>
> I would also like to point out the language on page 2 . . ." we have strung together the positive videotape . . ." which is further evidence of Interior Department lies and subterfuge.
>
> Senator Andrews, the memo states that, "the Secretary has long been critical of Federal meddling in reservation government . . .", but now we can say without question that Secretary Watt himself has not only meddled but is outdoing himself to manipulate and control Indians.
>
> Since the White House has obviously ignored the NTCA and NCAI call for Watt's removal, and since Watt has now so completely exposed himself and his department through this memorandum and has done his utmost to divide and conquer the Tribes, I ask that you seriously consider bringing before the Congress a motion for his censure and dismissal.

In fact, Mr. Watt is a total disgrace to his own party, the Republican Party, and also a total disgrace in serving American Indians.

Thank you.

Mr. Woodcock [acting chairman]. Thank you for your statement, Mr. Jourdain.

In addition to the memo letter, we will include a letter from Phillip Martin, president of the National Tribal Chairmen's Association, to President Reagan, dated January 25, 1983; a resolution by the NTCA signed by Mr. Martin and Mr. Thorpe; and statements from: Ross Swimmer, Roger Bordeaux, Robert Swan, Suzan Shown Harjo, and Delfin Lovato, all of which we will include in the record at this point.

[The material follows. Testimony resumes on p. 533.]

DISTRICT REPRESENTATIVES

ADVISORY COUNCIL

LEGAL COUNSEL

TRIBAL COUNCIL
Organized April 18, 1918
(Revised Constitution and By-Laws, January 6, 1959)
RED LAKE BAND of CHIPPEWA INDIANS
Phone 218/679-3341
RED LAKE, MINNESOTA 56671

UPPER RED LAKE
PONEMAH
LOWER RED LAKE
LITTLEROCK
REDLAKE
REDBY

February 24, 1983

Honorable Mark Andrews
United States Senate
Washington, D.C.

Dear Senator Andrews:

I want to add for the record, an example of the threatening and intimidating actions of this uncontrollable political monster that the BIA has become under Secretary Watt.

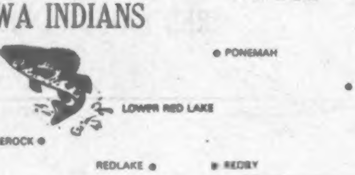
I place before you a memorandum that was brought to my attention yesterday afternoon. This memo, dated January 20, 1983, from Assistant Baldwin to Secretary Watt to the White House, is a scandal of major proportions because it reveals a calculated political vendetta planned by the Interior Department against Tribes and their organization, the National Tribal Chairmen's Association. It is also evidence of a libelous and malicious attack against our executive director of NTCA.

We are told how the Interior Department planned to use the National Congress of American Indians against the National Tribal Chairmen's Association to "difuse" (sic) an "emergency" meeting called ninety (90) days in advance by the NTCA Board. Secretary Watt's televised hate message to the nation against Indians occurred just prior to that long planned meeting. The using of Indians against Indians is despicable and cannot be tolerated. On page 2, second paragraph of this memo, there is confirmation of one of our worst fears that the Interior Department puppets are out to get the Indian leaders by attacking the NTCA director, Elmer Savilla. Veiled threats have come from the Assistant Secretary's office of Ken Smith. Ken Smith is one of the outstanding Indian sell-outs and traitor to Indian people and he is a dangerous tool for Secretary Watt used to betray the Tribes. I can personally prove to you that this is not the first time that Mr. Savilla has been harrassed and threatened by James Watt and his irresponsible outfit just for doing his job under our NTCA Constitution and BYLaws.

In paragraph after paragraph of this memo, there is evidence of the hundreds of man hours and thousands of dollars wrongfully spent to compile lengthy call lists, to telephone hundreds of Chairmen, to conduct interviews, to contact media reporters and editors in order to whitewash James Watt's inflammatory and destructive message. Our grandchildren,

TRIBAL COUNCIL
Organized April 18, 1918
(Revised Constitution and By-Laws, January 6, 1959)
RED LAKE BAND of CHIPPEWA INDIANS
Phone 218/679-3341
RED LAKE, MINNESOTA 56671

OFFICERS
DISTRICT REPRESENTATIVES
ADVISORY COUNCIL
LEGAL COUNSEL



February 24, 1983

our children, and all of us throughout Indian country are still suffering from the racial hatred that James Watt has stirred up.

I would also like to point out the language on page 2 - ..."we have strung together the positive videotape ..." which is further evidence of Interior Department lies and subterfuge.

Senator Andrews, the memo states that," the Secretary has long been critical of Federal meddling in reservation government...", but now we can say without question that Secretary Watt himself has not only meddled but is outdoing himself to manipulate and control Indians.

Since the White House has obviously ignored the NTCA and NCAI call for Watt's removal, and since Watt has now so completely exposed himself and his department through this memorandum and has done his utmost to divide and conquer the Tribes, I ask that you seriously consider bringing before the Congress a motion for his censure and dismissal.

Sincerely,

Roger A. Jourdain

Roger A. Jourdain
CHAIRMAN
Red Lake Band of Chippewa Indians

From package of materials sent out to all Area Directors To- [illegible]

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

January 20, 1983

Memorandum

To: Director, Office of Public Affairs
White House

From: Assistant to the Secretary Doug Baldwin

Here is a summary of how the Indian controversy got started and where it seems to be heading.

The Secretary has long been critical of Federal meddling in reservation government procedures and the resultant problems for Indians. In his interview with Conservative Counterpoint the Secretary said what he has said to the press on other occasions--including his briefing 10 days ago on his Annual Report. The difference this time is that Conservative Counterpoint hyped the show with a release alleging that he had called for the closing down of the reservation system (copy attached). They hadn't checked the story with us--they simply issued it through the PR Wire. UPI picked it up without question and ran it almost verbatim.

The controversy continued with echo from Indian "leaders," but has begun to turn our way as we contact the tribes and inform them of what really was said. The Seminoles and the National Congress of American Indians have retracted their initial criticisms and now support the Secretary.

The Administration's position and the Secretary's strong personal views are that the reservation system must be maintained but with substantial improvements in educational opportunities, economic development, etc., occuring primarily through the initiatives of Tribal Governments. This was the point of his comment today on Good Morning America. ABC's Rightline Wednesday came across with a welcomed balance and a surprising amount of agreement that Watt had correctly diagnosed some serious Indian problems (he had never mentioned "veneral" diseases; that was a creation of the Conservative Counterpoint news release.)

We are counterattacking with several initiatives:

- We have strung together the positive videotape--Counterpoint's Indian section, Nightline, some Watt response footage--and are showing it to Indian leaders. Nearly a dozen have seen it thus far. Indian Assistant Secretary Ken Smith hosts the showing and puts it in context; response is favorable.

- The National Congress of American Indians has a regularly scheduled meeting here next Tuesday-Friday and we will have select members breakfast with the Secretary Monday. We think that they in turn will defuse the "emergency" meeting that the militant executive director of the National Tribal Chairmen's Association (NTCA) is setting up for later that day with its overlapping membership.

- We have compiled lengthy call lists of Indian leaders and Smith's people are phoning them to properly explain the issue. They are also meeting one-on-one with Indians as they come into town for next week's sessions.

- Ken Smith has done numerous interviews for Western TV and newspapers.

- We are calling Western editors in Indian country and sending them background such as the White House Fact Sheet. We need the full policy paper, however.

- We have worked through a call list of Eastern network and print reporters and editors to explain the issue--particularly the reality of life on the reservation and the distinction that many had missed in the Secretary's criticism, not of tribal government but of the imposition of a Federal dominance over elected tribal systems.

- Our Congressional Affairs people have explained the issue to Hill staffers and have provided information kits.

Enclosure

NATIONAL TRIBAL CHAIRMEN'S ASSOCIATION

Suite 910 • 1010 Vermont Avenue, N. W. • Washington, D. C. 20005 - 4949
202 – 737-7011

January 25, 1983

The Honorable Ronald Reagan
President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

The American Indian people from across the nation are shocked and dismayed by the inaccurate and reckless remarks of Interior Secretary James G. Watt in the telecast of January 18, 1983. In response, the national board of the National Tribal Chairmen's Association met in Washington, D.C., on January 24 and 25, 1983, to assess the misimpressions created by the Secretary.

Mr. Watt's statements are inconsistent with the facts of history and law and do not comport with your Indian policy statements, by which he is bound. Furthermore, his statements are inconsistent with your campaign promises and the commitments extracted from Mr. Watt during his Senate confirmation hearing of January, 1981.

Indian reservations are the last territory and homeland of the Indian people in this country, and are governed by duly-elected representatives. The United States Constitution recognizes the unique status of Indian governments, which is woven into the fabric of American jurisprudence. Indian reservations are not a product of socialism, but of democracy. The founding fathers observed Indian governments and used them as models for the Confederation resulting in the United States. The federal government gained a territory in perpetuity over which to govern through treaties and other agreements with Indian nations, with promises to: 1) protect the Indians in their reserved territory and other private property, and 2) provide a variety of health, education and social services to Indian people, in perpetuity.

The federal government historically has not lived up to its trust responsibility to fulfill these promises, and it is for this reason that the Indian people today suffer from the poorest social and economic conditions of any population in the United States. The federal government has also failed to live up to its promise to irrigate the arid reservations, and it is for this reason that some tribes live in desert conditions adjacent to well-irrigated non-Indian lands that have received water welfare for over a century. For the Secretary to blame these conditions on the Indian people or to imply that Indians wish to keep other Indians in a state of crisis is stunning and must be addressed.

The manner in which the Secretary discussed Indian reservations as socialistic in nature and afflicted with drug and alcohol abuse, unemployment, divorce and social diseases not only reveals his inability to address these problems, but promotes general misunderstanding of the federal Indian trust responsibility. Under the guise of liberation and freedom, the Secretary promotes a policy that would inevitably lead to termination of Indian reservations and a wholesale raid on Indian resources.

We are deeply saddened that the Secretary has chosen to be so disrespectful of both the Indian people and office he now holds. We call on the Secretary to publicly apologize to American Indian people for his insensitive, ignorant and deleterious statements.

We are resolved to call upon you, Mr. President, to remove Mr. Watt from his position as Secretary of the Interior, which he has demonstrated represents a public responsibility he does not believe in and cannot meet. We ask that you replace Mr. Watt with a Secretarial nominee who is cognizant of the rights and needs of American Indian nations and peoples.

We call upon you to assure that the Indian Nations are accorded recognition of their sovereign powers of self-government, their inviolable Winters Doctrine Rights, and the dignity of their demands that the United States Trustee join the tribes in their efforts to fully protect and utilize those Winters Rights.

Finally, we call upon you to direct that the Bureau of Indian Affairs and the Indian Health Service be redesigned and restructured, in order to significantly reduce the cost of maintaining the bureaucracy and to make the savings available at the local Indian agency level.

Sincerely,

Phillip Martin

Phillip Martin, President
National Tribal Chairmen's Association

[illegible]

NATIONAL TRIBAL CHAIRMEN'S ASSOCIATION

[illegible]

R E S O L U T I O N

[illegible]

[illegible]

WHEREAS: [illegible]

WHEREAS: [illegible]

WHEREAS: [illegible]

WHEREAS: [illegible]

WHEREAS: [illegible]

WHEREAS: [illegible]

THEREFORE BE IT RESOLVED that the Board of Directors and the assembled membership of The National Tribal Chairmen's Association calls upon the President of the United States for the resignation and replacement of James G. Watt as Secretary of the Interior, and

BE IT FURTHER RESOLVED that Secretary Watt publicly apologize to the American Indian people for his insensitive, ignorant, and disrespectful remarks. Such apology should be made on national television as was the original remarks, and

BE IT FURTHER RESOLVED that the President and the Congress redesign and restructure the Bureau of Indian Affairs and the Indian Health Service to significantly reduce the cost of maintaining those bureaucracies and to make the savings available to fund programs and services at the local Indian agency level. Such redesign and restructure shall be made in positive consultation with the Indian tribal leadership, and

BE IT FINALLY RESOLVED that the Indian Nations be accorded recognition of their sovereign powers of self-government, their invaluable WINTERS DOCTRINE water rights, and the dignity of their demands that the United States as Trustee join the tribes in their efforts to fully protect and utilize those WINTERS rights.

CERTIFICATION

The foregoing Resolution was duly adopted by the Board of Directors and the membership of The National Tribal Chairmen's Association at a duly called Special Meeting held in Washington, D.C., on this 25th day of January, 1983.

Signed: Phillip Martin
Phillip Martin
President, N.T.C.A.

Attest: Jack Thorpe
Jack Thorpe
Secretary, N.T.C.A.

PREPARED STATEMENT OF ROSS O. SWIMMER, PRINCIPAL CHIEF, CHEROKEE NATION OF OKLAHOMA

Mr. Chairman and members of the SubCommittee, I appreciate the opportunity of appearing before you to present the Cherokee Nation's position regarding fiscal year 1984 appropriations for programs benefitting Indians.

As we all know, Indians - often referred to as the "forgotten Americans" - received uncharacteristic attention from the media last month after Interior Secretary Watt suggested that Americans visit Indian reservations rather than Russia if they wanted to view depressed economies, high incidences of poor health, low standards of living and incredible rates of unemployment.

These conditions, however, are not confined to Indians "living on or near a reservation," as the Secretary's comments may have led you to believe. Although we have never operated from a reservation setting, but instead held fee-simple patent to our lands until they were allotted to individual Tribal members 76 years ago, Cherokees living within the defined geographic jurisdictional boundary of the Cherokee Nation in northeastern Oklahoma:

- die of diabetes and chronic liver disease at twice the rate of non-Indians and suffer from alcoholism at almost four times the rate of non-Indians;
- complete a median of 8.6 years of school, compared to 12.1 years for Oklahoma's general population;
- are unemployed at thrice the rate of non-Indians;
- have a mean family income that is 39 percent below the Statewide mean; and
- are found living in substandard housing without indoor plumbing one and a half times more often than non-Indians.

Clearly, common ownership of land (or living in a reservation setting) is not the cause of Indians' dire circumstances. Our poverty, unemployment, poor health and low standard of living result from a cycle of dependency, originating in Washington, D.C., which has denied Indian people participation in decision-making processes which affect their lives.

No group of people wants to become self-sufficient more than Indians. To realize that goal, however, we must first become healthy, educated and employed: we must have the infrastructure (housing, water, sewer systems and roads) which support the revitalization of our communities which is a prerequisite to our achieving independence.

Health Care

In 1978, the Department of Health, Education and Welfare conducted a comprehensive study of the health care needs of the five southernmost counties in the Cherokee Nation's jurisdictional area. The task force concluded that "a system of primary ambulatory care health centers should be geographically located throughout the counties so that adequate health care would be available within 20 miles" of the area's residents and that "specialized services should be located in a central facility to support the outlying primary care ambulatory facilities."

On the basis of that study and at the Cherokee Nation's request, Congress added $18 million to the Indian Health Service's FY '79 budget to construct a new hospital to serve Indians living in the five target counties. That hospital is scheduled to be completed in October of this year, on-time and slightly under-budget.

To carry out the health care program recommended by the task force, the Cherokee Nation, using IHS and tribal funds, opened a full-time, full-service clinic in the most populous of the target five counties in mid-1982. This year the Stilwell Clinic will record more than 15,000 patient visits. Had the Tribe not opened the clinic, those patients would have sought medical care at the IHS hopsital in Tahlequah which is already overcrowded and adding an average of 800 new patients a month.

To carry on with the goal of dramtically improving the quality and quantity of health care available in rural northeastern Oklahoma, we must proceed with opening primary health care clinics in other locales in the target counties. Nearly an eighth of our total population, residing in the most southern target county, is more than 40 miles from the nearest health care facility. If we are to bring primary care to within 20 miles of that county's residents, we need an additional appropriation of $1,500,000 to construct and operate a clinic there. If these funds are not added and the clinic is not built, our hospital will be inadequate before its construction is completed.

Obviously, construction of the new hospital and clinics, alone, will not allow us to provide quality health care. There must be adequate staff to tend to the patients' medical needs.

When Congress appropriated funds for constructing the new hospital, it did so with the insistence that the Indian Health Service, City of Tahlequah and Northeastern State University share services, thereby improving the quality of health care for Indian and non-Indian residents of the area. We have expanded upon that original concept, inspired by former Senator Henry Bellmon, and have added the University of Oklahoma Medical School, Oklahoma Osteopathic School and Cherokee Nation as partners who will share services when the new hospital opens.

Sharing services requires commitments and trust between and among partners. Our shared-service agreements have been predicated on the original plan for the hospital, which called for an IHS staff of 372 and an appropriated operating budget of $10,587,000. With the hospital nearing completion and the plans nearing implementation, the Administration's budget, with its recommendation that the hospital be appropriated $9,187,000 and budgeted for a staff of 292 (half of whom are contingent upon IHS' receipt of reimbursements), both IHS' ability to honor its commitments and the partners' goal of improving medical services while reducing health-care costs in the Tahlequah area are jeopardized.

So that we might honor our commitments - both to our proposed partners and to our goal of creating a new method for providing rural America with improved health care at reduced private and public-sector costs, I urge you to restore the hospital's operating appropriation to $10,587,000 and its staff to 372 budgeted positions.

We recommend that IHS be appropriated the funds necessary for each Service Unit to provide preventive, primary ambulatory, basic primary and emergency care. To provide an incentive for Service Units to collect third party reimbursements, we recommend that any third party funds collected be used to augment the basic services for which each Service Unit is funded as opposed to the Administration's recommendation that third party reimbursement be used to defray the cost of providing basic care.

To further ensure parity of services across Service Unit boundaries, we recommend that Equity Funding be maintained as an appropriated line item rather than as a contingency that has, at worst, a penalizing affect on those Service Units whose managers are diligent in collecting reimbursements.

There is an average of one physician per 653 persons statewide in Oklahoma. In the rural counties of the Cherokee Nation, that average drops to one physician per 1,925 residents. The only medical specialists in the area are employed by the Indian Health Service.

If IHS and the Cherokee Nation are to significantly affect the quality of health care available in rural northeastern Oklahoma, the Indian Health Service must be given the authority to treat non-Indian patients and bill them for the services they receive. Such authorization would have the dual benefit of allowing IHS to increase its resources while providing the general population with access to specialized medical care.

To complement and augment the medical services provided at IHS-funded hospitals and clinics, the Cherokee Nation employs a small cadre of community health representatives who provide a vital link between isolated, mostly elderly Cherokees and modern medical practices. Through the 37,468 visits which our CHR's, who are trained as licensed practical nurses and home health aides, made last year, hundreds of Cherokees received early diagnosis and treatment of their medical ailments before their conditions became critical. I urge Congress to restore funding for the Community Health Representative Program to at least its FY 1983 funding level of $25 million.

Education

In 1975, when Congress enacted Public Law 93-638, it declared as general policy that a "major national goal of the United States" would be to "provide the quantity and quality of educational services and opportunities which will permit Indian children to compete and excel in the life areas of their choice, and to achieve the measure of self-determination essential to their social and economic well-being."

In 1983, quantity and quality of educational services are no less fundamental to Indians' realizing our goal of self-sufficiency than they were in 1975.

With more than 40,000 members, the Cherokee Nation is the second largest Indian Tribe in the country. We are strongly opposed to a reduction in the fiscal year 1983 appropriation for Title IV Indian Education Act programs and to a discontinuation of Title IV programs in FY '84, as proposed by the Reagan Administration.

In the 14-county jurisdictional area of the Cherokee Nation, the elimination of Title IV will result in a loss of $2.5 million directed towards educational programs benefitting 18,000 children of Indian descent. For the poor school districts in rural northeastern Oklahoma, loss of Title IV funds will mean an end to special cultural enrichment as well as remedial programs. Loss of Title IV could threaten the continued existence of smaller school districts, particularly those located in rural Indian communities where poverty and the trust status of Indian lands has eroded the school district's tax base.

An example of the threat which discontinuance of Title IV poses to rural schools can be found in the Bell School in southern Adair County. Of the 189 students enrolled in Bell, 98% are Indian. There are 16 taxpaying families in the district: the remaining families in the school's 50 square-mile transportation district are too poor to pay taxes or live on land that is exempt from taxation. Bell receives 43% of its $459,000 annual operating budget (for grades K-8) from federal programs, all of which are proposed for elimination or recissions. Without federal aid, the Bell School will close.

In explaining the rationale for discontinuing Title IV programs, Administration officials suggested that other programs such as Impact Aid and Chapter 2, both of which programs are administered by the States, could absorb Indian education programs. Our past experience with state-administered federal assistance programs has been that urban school districts, with tax bases sufficiently substantial to support special programs for Indian and non-Indian students, receive the bulk of the federal aid. If past experience holds true, Tulsa and Oklahoma City, where less than 19% of the State's Indian population resides, would receive a vastly disproportionate share of the federal aid which is intended to benefit Indians.

To ensure that the advances which have been made since passage of the Indian Education Act of 1972 continue, ensuring an educated Indian population that is able to effectively compete in the labor market, and ensuring each individual Indian an opportunity to exercise self-determination, I strongly urge you to restore FY '83 funding for Title IV programs to the previously budgeted amount of $67,247,000 and to appropriate at least that amount for Title IV programs in FY '84.

Community Development

On the premise that it would conserve administrative costs and reduce duplication of services, the Administration has proposed consolidating Indian housing construction and improvement programs in the Department of Housing and Urban Development. Commensurate with that recommendation, the Administration has proposed eliminating the Indian Health Services' 121 (Sanitation Facilities Construction) Program in FY '84 and phasing out the BIA's housing improvement program.

While we support the Administration's basic premise - that the construction and repair of housing and physical infrastructure should be consolidated in one agency - it would better serve the Indian people's interests if the agency selected were the Department of Interior, which already has offices located near the Tribes it serves and from whom we, the government closed and responsive to our constituents, may directly contract to administer programs.

Funding for the BIA's housing improvement program needs to be increased, regardless of which agency eventually administers the program. A 1981 BIA study found that 92,000 Indian families live in substandard housing. The proposed FY '84 appropriations will enable only 670 houses to be built and 4,260 homes to be renovated. At that rate, it will take us more than 18½ years to address the existing housing needs of Indians nationwide.

We also support an increase in funding for IHS' 121 program and statutory changes which would enable the program to be more flexible in responding to the needs of Indian people and their efforts to achieve self-sufficiency.

In the Cherokee Nation, alone, we have unmet needs which could absorb $4 million annually in IHS 121 construction funds.

An appropriation in unrestricted sanitation construction funds would greatly enhance our self-help construction programs, which we initiated in the Bell community in southern Adair County some 16 months ago. There, in a unique partnership, the Cherokee Nation is providing the materials to build 25 new homes, rehabilitate 21 existing homes and construct a 16-mile rural water system; the people of the community are providing the labor for these physical improvements.

Because Bell has had substantial federal housing assistance, we were able to use 121 construction funds to pay for 25% of the water line materials. We are restricted, however, from using 121 funds in communities such as Burnt Cabin and Briggs, which need a rural water system equally as much as Bell, but whose residents have not received sufficient federal housing assistance to qualify for federal sanitation facilities assistance. An appropriation for unrestricted sanitation construction would enable us to enter into partnership agreements with the residents of these and other communities, at a savings to the federal government of more than half the cost of a water system constructed with paid labor.

Summary

Although federal programs for Indian people constituted only four-tenths of one percent of the 1982 federal budget, the present Administration is asking these programs - and the Indian people - to absorb 2.9 percent of the budget cuts proposed for fiscal year 1984. While the proposed reductions may appear minimal in comparison to the overall federal budget, I can assure you that they would have a devastating impact on an already impoverished people who are striving to attain the quantity and quality of health care, education, housing and sanitation facilities which are prerequisite to our achieving self-sufficiency.

In his policy statement on Indians, President Reagan said that the government would provide us with the "necessary" funds to "develop our resources." We believe that our greatest resource is our people and that, to "develop" them, quality health care, expanded educational opportunities and improved living conditions are "necessary."

We share the same goals of social and economic independence for Indian people: all we ask is that you listen to us when you chart the course for developing our resources which are our people.

ASSOCIATION of CONTRACT TRIBAL SCHOOLS

My name is Roger Bordeaux, I am the current President of the Association of Contract Tribal Schools. ACTS was formed a little over a year ago to provide Advocacy, Communication, Training and Technical Assistance to existing tribal schools and other schools who are interested in local control of educating their children. The Contract Tribal School movement started in 1966 when Rough Rock Demonstration School contracted with the BIA to run a local school. In 1973 there were roughly 15 local controlled Indian schools. There are currently 60 plus schools throughout the nation. All of these schools are determining their childrens future by operating and administering their own schools. Their are many success stories of how these schools operate along with some failures.

I am here today to talk to you about the proposed recessions of Title IV Indian Education Act Funds for FY'83 and the close out of FY'84. The decision seems to be in direct conflict with President Reagan's Indian Policy issued only a month ago.

Through discussion with other tribal schools, and tribal officials on various reservations, there appears to be 4 main areas which these funds have improved the education programs on reservations.

1.) Training (Adult, Educators, Aides, etc.)
2.) Community Involvement
3.) Culturally relevant instruction and curriculum development
4.) Education Support Service Programs

I would like to discuss some of these programs that have been successful.

1. Training

Through the use of Title IV Indian Education Act funds, there have been a substantial increase of Indian administrators working in tribal, public, private, and BIA schools. Most of these were able to recieve their Masters degree in Education Administration and a few were able to get a Doctorate. Other Indians were able to get advanced degrees in Counseling Special Education, Forestry and many other fields.

The two Lakota principals we have at St. Francis Indian School were able to get their Masters degree because of Title IV.

Education Aides were able to further their education because of Title IV funds. The average number of college credits our aides has advanced from 0 to roughly 45 credits.

Some of these aides have been able to finish their bachelor programs and get teacher certification because of Title IV. We currently have five certified teachers who were able to get their bachelors because of Title IV.

There are many other training programs that were started with Title IV.

The main thing that I am trying to point out is that because of Title IV, we as Indians have educated leaders throughout this country who are able to act as role models for the students in our schools. They are also able to work for the betterment of Indian education on a local, state and national level.

2. Community Involvement

Specifically because of Title IV there has been an increased awareness of education programs for Indian students.

One administrator at a tribal contract school said that because of Title IV he was able to increase parental involvement by 90%. Title IV has provided another vehicle for parents to become aware and involved in educating their children.

There have been some tribal education departments set up because of Title IV. They are working on their own education standards and other tribal education priorities.

3. Culturally Relevant Instruction and Curriculum

Title IV has allowed thousands of Indian children to identify with their culture. Programs which concentrate on the retention of the Native language is probably the most important part. Other cultural instruction include arts and crafts, history, and dance. The development of curriculum material, which is relevent to the students, is essential to improve the academic achievement.

The culturally related programs are needed to improve students self-esteem.

4. Education Support Service Programs

These programs funded from Title IV include a wide variety of supportive supplemental programs which all increase awareness, improve academic achievement, and self-esteem.

Some of these are basic skills reinforcement, counseling, vocational education, tutorial services, drop out prevention, attendance, recreational activities, student leadership, cognitive learning, and other support services.

Conclusion

The bottom line is that if funding for Title IV Indian Education Act is not allotted you will in effect commit educational genocide and strangle economic development on the reservations. This will be done because there will be no source to improve education not only for the elementary and secondary students but also adult Indians who will be and are leaders on the reservations and the nation.

PREPARED STATEMENT OF THE FORT BELKNAP TRIBAL EDUCATION DEPARTMENT, SUBMITTED BY DR. ROBERT J. SWAN, EXEC. DIR.

Good morning Mr. Chairman and members of the Senate Select Committee on Indian Affairs. My name is Dr. Robert J. Swan, the Executive Director of the Fort Belknap Tribal Education Department, Fort Belknap Indian Community, Harlem, Montana. I am respectfully requesting the Senate Select Committee on Indian Affairs to allow me to submit written testimony today regarding Public Law 92-318 as amended, The Indian Education Act (IEA), Title IV.

First, I would like to thank the Senate Select Committee on Indian Affairs for allowing me to share with you some of the achievements in Indian Education that have taken place since the Indian Education Act was enacted into law eleven years ago.

I have entitled my testimony, "A DECADE OF CHANGES - THE AMAZING 70'S IN INDIAN EDUCATION AS A DIRECT RESULT OF THE INDIAN EDUCATION ACT". I would like to review the progress of Indian Education made during the past eleven years and focus my testimony upon the 70's. I believe that once you have reviewed the achievements of the 70's, you will come to the same conclusion that I came to nearly two years ago——that the 70's was truly a decade of change for the American Indian, educationally, culturally, economically, and politically. Hopefully, you will also see that even though we have gained more in the past eleven years than any other period in history, we still have a long way to go. In fact, the achievements in Indian Education under the Indian Education Act have far surpassed the achievements made in Indian Education during the previous 400 years of this country when Indian Education was under state, church, and federal control.

I would like to begin my testimony by quoting from the Seventh Annual Report to The Congress of the United States, a report published by the National Advisory Council on Indian Education in June of 1980. The report is entitled , "EDUCATION FOR INDIAN SURVIVAL AS A PEOPLE, A GOAL FOR THE 1980'S." This quote is from a letter I wrote in June of 1980 when I was Chairman of the National Advisory Council on Indian Education. The letter is addressed to the Congress of The United States.

> "As the decade of the 70's comes to a close, Indian people and Alaskan Natives can look back and reflect upon the numerous achievements made during the self-determination period of this past decade. The National Advisory Council on Indian Education along with other national, regional, and local Indian organizations and tribes entered a new spirit of cooperation with the U.S. Congress. The 70's, as pointed out by many Indian leaders, can be declared as the most important decade for Indian people in terms of legislation, appropriations, and commitments from the U.S. Congress, not only in Indian Education, but in all areas of government that provide services to Indian people. New legislation and increased appropriations made it possible for Indian people to begin planning our own educational programs, set educational priorities, and to commence to meet our own educational needs which historically have been neglected by the federal government."

As we enter the third year of the 80's, Indian Education may be set back 40 years. This conclusion is based upon the Administration's FY83 rescission request and FY 84 termination of Title IV request to the U.S. Congress for Title IV, The Indian Education Act of 1972. Because of the Administration's FY83 and FY84 budget requests, I believe it would be appropriate to present briefly the history of Indian Education to refresh your memories on how far Indian Education has come since 1492.

Indian Education did not start in 1492 or 1528 as most reference and history books treat the history of Indian Education. Before Columbus and even after Columbus came to North America, the educational system for Indians was not institutionalized, but differed from tribe to tribe. The educational system for Americans Indians was dissimiliar to the European system of teachers, text books, libraries, and now computers. Instead, each tribe had their own system of education. For some tribes, the role of educaton was placed in the hands of the elders, the grandparents, the aunts, the uncles, the clans, the spiritual or traditional leaders, etc. Each tribe differed from one another; each had its own unique system of education. Native American education was transmitted by oral tradition—by the telling of stories and legends containing identifiable cultural and historical information. Furthermore, the majority of Indian culture was passed down from generation to generation through the practice and the participation in cultural events, not through sitting in classrooms.

I feel it is important for the Administration and the U.S. Congress to become familiar once again with the history of Indian Education. When we arrive at the "AMAZING DECADE OF THE 70's", you will see the difference in attitudes from the first period through the contemporary period. One thing to keep in mind is that the overall policy of the United States was to rid the American Indian of his land, water, resources, and culture.

Briefly, the written history of Indian Education started with the first period being known as "THE MISSION PERIOD." The first school for Indians was established in Havanna, Cuba in 1568. The French, English and Spanish had a major influence during the Mission Period. Williams and Mary, Harvard, and Dartmouth were created for the education of Indian students during this period.

The second period is known as the "TREATY PERIOD." Starting with the first treaty in 1778 with the Delawares, education was included as part of the treaty and trust responsibility of the U.S. Government. From the inception of the federal government in 1789 to 1850, the United States negotiated and ratified 245 treaties with Indian tribes. During this period the U.S. Government acquired over 450 Million acres of land for less than 90 Million dollars.

The third period started in 1887 and is known as the "ALLOTMENT PERIOD" or "DAWES ACT PERIOD." During the 46 years that the Allotment Period was in effect, the U.S. Government succeeded in reducing the Indian land base from 140 million acres to approximately 54 million acres of the least desirable land in the country today. Now we are finding out that this least desirable land is rich in natural resources, such as oil, gas, uranium, water, and timber.

The fourth period, the "MERRIAM REPORT PERIOD", occurred when the first major comprehensive study was written about Indian Education. The Merriam Report brought into relief the deficiency of Indian Education and set the precedence for the fifth period.

The fifth period is called the "INDIAN REORGANIZATON ACT PERIOD" or the "HOWARD WHEELER ACT PERIOD" which brought about the Johnson-O'Malley Program. Most Indian scholars will point out that Indian Education in the 30's relates closely to what happened in the 70's. Achievements in Indian Education in the 30's, however, did not succeed because of the Depression and the economical conditions in this country. It appears that 40 years later, Indian people are faced once again with the problems we encountered in the late 30's.

The sixth period is the "WORLD WAR II PERIOD" or a period of retrogression. This was a period when Indian Education digressed to the pre-Merriam Report Period.

The seventh period was a very sad era for American Indians. This period is known as the "TERMINATION PERIOD" because in 1953 the U.S. Congress passed House Concurrent Resolution 108 (Termination Bill) and Public Law 280 (allowing some states to have jurisdiction on Indian reservations).

We finally arrive at the eighth period, the "SELF-DETERMINATION PERIOD" from the late 60's through 1980. I believe we are now entering a ninth period which I will dicuss briefly at the conclusion of my testimony. I have termed this period we are in presently as "A PERIOD OF SURVIVAL." But for the next few moments, I would like to discuss the eighth period which is the reason for this testimony.

In 1964 President Johnson started the "War On Poverty with the Great Society." Along with the War On Poverty came the Office of Economic Opportunity. Through that office, there were many changes that occurred on Indian reservations. For example, Head Start, Legal Services, Job Corps, Indian Community Action Programs, and many others were all estabished. I believe if you trace the beginning of the Self-Determination Act, you will find that it came about with the Great Society, the Civil Rights Act of 1965, OEO, etc.

In 1965 the U.S. Congress passed the Elementary and Secondary Education Act. Title I was part of this Act with the major goal of working with the disadvantaged. In Montana and other states with large populations of Indians, the disadvantaged was the American Indian. Also passed in the late 60's was the Higher Education Act which led to some changes at colleges that benefitted the American Indian. The HEA created programs such as, Special Services, Upward Bound, Talent Search, Equal Opportunity Centers, etc.

The Amazing Decade of The 70's for Indians started with The Indian Education Act, Public Law 92-318 or better known as Title IV, which created Parts A, B, C, and D. Included in this act was the creation of The National Advisory Council on Indian Education (NACIE). This was the first and only presidentially appointed council ever created for American Indians. I am proud to say that I was a member of this council and was able to see the major achievements under the IEA from 1979-1982. Hopefully, this council will be retained so that Indian people will have the opportunity to discuss their problems and make their recommendations to the U.S. Congress through NACIE.

In 1975, Indian people saw the signing of Public Law 93-638, better known as the Indian Self-Determination and Educational Assistance Act. During that same year, the Indian Policy Review Commission was created under Public Law 93-580, which reviewed major policies in Indian Affairs, including Indian Education.

In 1978 we saw the signing of Public Law 95-561 or the Education Amendments of 1978, which brought more changes in Indian Education, new directions within the BIA, and more accountability placed upon the Department of Interior for Indian Education. We also saw Senate Bill 991 which proposed the creation of the Department of Education and proposed the transfer of BIA Education to the new Department of Education. At that time many Indian educators and leaders fought against Senate 991 and won. The Department of Education was not created nor was the BIA Education Program transferred to the Department.

In 1978, we also saw The Indian Community College Bill passed, better known as Public Law 95-471. As most of you are aware, we have Indian Community Colleges on six of the seven reservations in Montana.

I have given a brief account of the legislation in the 70's which affected Indian Education directly. Now I would like to discuss the Amazing 70's from 1972 to the present concerning the achievements made by Title IV. It is this period that Indian Education progressed from the Dark Ages to Self-Determination during the past eleven years.

Mr. Chairman, I am utterly astonished when every year for the past four years your committee has requested specific information from the U.S. Department of Education concerning the achievements, successes, failures and problems under the IEA . Yet the U.S. Department of Education cannot provide specific data on the achievements made under the IEA. Specific data on the achievements and needs of Indian Education can be found in the following documents.

1. Title IV, Part B Impact Evaluation Study
2. Title IV, Part C Impact Evaluation Study
3. Title IV, Part A Preliminary Impact Evaluation Report
4. Eight Annual Reports of the National Advisory Council on Indian Education
5. National Indian Adult Education Needs Assessment
6. Annual Reports of Part A, B, and C projects
7. Annual Evaluation Reports of Part A, B, and C projects
8. Other needs assessments, studies and reports conducted in the 70's concerning Indian Education.

With the computer/technology available today, I am surprised that the U.S. Department of Education cannot forward specific data concerning the IEA to this distinguished body. Because the U.S. Department cannot provide you with these statistics, I will attempt to relate some of the major achievements made under the IEA during the past eleven years in this country, for the state of Montana, and more specifically, the Fort Belknap Indian Reservation.

ELEVEN YEARS AGO, there was only one Indian controlled school in the state of Montana. Today, there are Indian controlled schools through all-Indian school boards, tribal schools or contract schools on all seven reservations in the state of Montana. This achievement was made possible only through Part A of the IEA. Without the support of the IEA, Indian controlled schools would not have developed to the point they have in Montana and thoughout this country today.

ELEVEN YEARS AGO, our dropout rate for high school students was the highest in the country for any group of people. As we entered the 70's, the dropout rate on the Fort Belknap Reservation was 59%. Today, the dropout rate for Indian students is less than 10%.

ELEVEN YEARS AGO, there were less than 400 Indian students attending college in the state of Montana. In 1982, the Indian student body in Montana State colleges and Indian Community colleges exceeded 3,000. This represents an increase of over 750%.

ELEVEN YEARS AGO, we had very few Indian school board members and no Indian Parents' Advisory Committees in Montana. Parental involvement was almost non-existent. Today, we have Indian Parents' Advisory Committees in every school receiving Part A funds. These committees are actively involved in the education of their children. Furthermore, Indian representation on school boards has increased ten-fold.

ELEVEN YEARS AGO, very little adult education services were provided for Indian adults on Indian reservations. Through Part C of Title IV, the Fort

Belknap Adult Education Project has provided services to over 1,200 Indian adults; 340 Indian adults have received adult basic education services; 167 Indian adults have completed their High School Equivancy Diploma (GED); 645 Indian adults have received adult education services through first aid classes, Indian education training, cultural and enrichment classes, etc.; 914 Indian adults received services in job placement, counseling, life coping skills and consumer education; 260 Indian ranchers and farmers received training in beef and crop production, artifical insemination, ranch management, etc. Similiar Indian adult education projects have as impressive records on other reservations, and in some cases, are even more impressive.

ELEVEN YEARS AGO, the National Indian Education Association was only three years old; there was no National Indian Advisory Council on Education; state Indian Education Associations such as the Montana Indian Education Association, North Dakota Indian Education Association and another 15 state Indian Education Associations did not exist; no regional technical assistance and training centers existed; and, the American Higher Education Consortium did not exist. The IEA programs and staffs were the cataylst for the growth of these organizations which provided invaluable technical assistance and training services to Indian tribes, organizations and schools.

ELEVEN YEARS AGO, we did not have one Indian Community College in the state of Montana. Through EPD projects under Title IV on reservations, Indian Commuity Colleges developed and grew through IEA funds and P.L. 95-471 assistance. Today, we have Indian Community Colleges on six of the seven reservations providing higher education services.

ELEVEN YEARS AGO, we had very few Indians trained at the baccalaurate, masters and docorate levels. Through EPD projects and the fellowship program under the IEA, we have trained hundreds of Indians in education. For example, the DIAL Program (EPD Project) at the University of South Dakota, trained over 200 Indians at the master's degree level and 23 at the doctorate level in special education, counseling and guidance, school administration, adult education, higher education, elementary education and secondary education. The Montana State University in Bozeman, Montana trained over 50 Indian people at the master's degree level in the aforementioned areas. We still have a long way to go, however, before we have trained enough educators at all levels to meet our needs.

ELEVEN YEARS AGO, we had only one Native American Studies program in the state of Montana. As a result of the IEA, we now have Native American Studies programs or Indian Education service programs in every public school in Montana that receive IEA, Part A funds. In addition, Native American Studies programs are available in the six Indian Community Colleges, six public colleges and three private colleges.

ELEVEN YEARS AGO, there were no tribal education departments on reservations in Montana. Today, all seven reservations in Montana have developed tribal education departments under Part B and C of the IEA. At Fort Belknap, our Part B project provided us planning services for our department; the first major educational needs assessment was conducted; relevant cultural curriculum was and is being developed and integrated into public school classrooms; Indian Parents Advisory Committee training is provided; counseling and guidance to over 800 Indian children and adults are provided each year; and, our IEA Part B project was the cataylst that provided us the expertise to contract for the Bureau of Indian Affairs Higher Education Scholarship Program and Johnson-O'Malley Program.

With the passage of Title IV, The Indian Education Act of 1972, numerous achievements have come about in our schools and tribal education programs through Part A, B, and C of Title IV. I am certain that other Indian scholars in this room today will provide this distinquished committee with other specific examples of achievements make under the IEA.

The Indian Education Act addresses the special educational and culturally related academic needs of Indian children and adults. While significant gains were achieved in the 1970's, the American Indian and Alaskan Native continue to be the most economically and educationally disadvantaged group in this country. It is still the case that:

> ***Indian students attend and complete school, as well as enter and complete higher education, at rates far below their majority counterparts;
>
> ***unemployment rates for Indian adults and poverty rates for Indian families, greatly exceed rates for the majority populaton; and,
>
> ***household incomes are significantly lower for Indian families than for non-Indian families.

The U.S. Congress has recognized that by improving the educational status and by providing opportunities for the American Indian, the cycle of poverty and dependency is broken. Virtually every treaty entered into between the U.S. Congress and Indian tribes contained provisions for educational services for Indian people.

IN RECOGNITION OF THE SPECIAL RELATIONSHIP AND TRUST RESPONSIBILITY EXISTING BETWEEN INDIAN TRIBES AND THE FEDERAL GOVERNMENT, TITLE IV, THE INDIAN EDUCATION ACT OF 1972, MUST CONTINUE IN THE FUTURE.

Educational services that will be lost on the Fort Belknap Reservation alone, if the IEA is terminated, includes the following:

SCHOOL/PROGRAM ***************	SERVICES ********	BUDGET ******	STAFF *****
1) Fort Belknap Tribal Education Department (Curriculum Development, Project, Part "B")	Curriculum Development Services Planning Capabilities Parents Advisory Board Training Native American Studies	$161,164	6
2) Fort Belknap Tribal Education Department (Adult Education Project, Part "C")	Adult Basic Education GED population Cultural & Enrichment Courses Senior Citizens Courses	$131,304	8
3) Fort Belknap Tribal Education Department (Adult Education Pilot and Planning Project, Part "C")	Computer Assisted Instruction Farm & Ranch Management Small Business Development	$ 84,765	2
4) Hays/Lodge Pole Public Schools (Part "A")	Art Program Music Program Activity Bus Athletics Field Trips Cultural Classes	$ 40,000	2

5) Harlem Public School (Part "A")	Indian Studies Home School Coordinator Tutoring Art Music Cultural Program	$ 67,298	4
6) Dodson Public Schools (Part "A")	Tutoring Micro-computers Athletic Program Cultural Program	$ 10,000	1/2

The elimination of the IEA would affect the Fort Belknp Reservation in the following ways:

1. Twenty-two and one-half (22.5) positions would be abolished;
2. Services to over 900 Indian children would be greatly curtailed;
3. Adult education services to over 750 Indian adults would be eliminated.

According to Bureau of Indian Affairs statistis, educational grants in Montana totaled $3,783,000 in 1982. Included was $2,425,000 for public schools, $866,000 in fellowshps and tribal education programs, and $491,000 for adult education (Medill News Service, Washington, D.C., reported by Great Falls Tribune, February 14, 1893).

At this time, I would like to specifically address recommendation for The Indian Education Act. These recommendations were adopted by the Montana Indian Education Association Board of Directors on February 14, 1983 in Great Falls, Montana by an unanimous vote:

1. The Indian Educaton Act should be funded at no less than the FY81 level in FY84.

2. The U.S. Congress should provide a FY83 supplement for the IEA equal to the FY81 level.

3. A 12% annual increase of the proceeding fiscal year appropriation level is needed each year to maintain quality education services for Indian children and adults.

4. Public Law 92-318 should be reauthorized for a minimum of five years.

5. H.R. 11 should be amended to include the extension of all programs under the IEA until 1989.

6. Adult Education service programs should be expanded and adequately funded in the future.

7. Certification form requirements (506 form) should be less restrictive so that services can be provided to all eligible Indian students.

8. Schools should be allowed to transfer 506 eligibility forms to another school when a student transfers.

9. Part A pupil expenitures should be comparable to Chapter 1 expenditures.

10. The National Advisory Council on Indian Education should be continued and funded commensorable to need. Tribal input should be required in the selection of NACIE members and that all NACIE appointments have a background in Indian Education. Furthermore, a minimum of one member of NACIE should be an Indian Educator from the state of Montana and the current NACIE Executive Director should be retained.

11. A minimum of three EPD projects are needed in the state of Montana to meet our educational training needs in the 1980's.

Mr. Chairman and other distinguished members of the Committee, Indian people do not want to return to the 1930's. Our success and achievements in the 1970's are attributed largely to The Indian Education Act of 1972. We have came a long way during the past eleven years. To terminate The Indian Education Act of 1972 would be the greatest injustice placed upon the American Indian since the genocide period of the 1800's and the termination period of the 1950's.

In conclusion, it seems ironic that the present Administration renewed its commitment to Indian people less than one month ago. Yet here we are---fighting to retain what little we have in Indian Education one month later.

Thank you very much for allowing me to submit this testimony to this distinguished Committee of the U.S. Congress.

Native American Rights Fund

STATEMENT OF SUZAN SHOWN HARJO, LEGISLATIVE LIAISON, NATIVE AMERICAN RIGHTS FUND, BEFORE THE SELECT COMMITTEE ON INDIAN AFFAIRS, UNITED STATES SENATE, FEBRUARY 24, 1983

Mister Chairman, my name is Suzan Shown Harjo. I am Cheyenne and Creek, with citizenry in the Cheyenne & Arapaho Tribes of Oklahoma, and I serve as Legislative Liaison in the Washington Office of the Native American Rights Fund, a non-profit national Indian legal organization headquartered in Boulder, Colorado.

During the Committee's budget oversight hearing of March 23, 1981, I testified that the Administration's first federal Indian budget submissions reflected a lack of cooperation amongst the agencies and an absence of coordination by the White House, because to think otherwise would be to suspect the Administration of planned termination by appropriation. With the experience of reviewing and viewing the results of three budget submissions, there can be no doubt that we are in an era of termination through the budget and administrative process. Whether this is occurring by design or in a haphazard manner may be debated but does not alter the results. Only the most diligent Congressional oversight and action has prevented the worst of what has been proposed from taking effect, and this Committee is to be commended for playing a major role in this regard.

In January of 1981, when the Bureau of Indian Affairs' conservative estimate for Indian unemployment nationwide was 39%, the highest rate for any segment of American society, the Administration proposed to cut the federal Indian jobs and training programs by 45%. As Indian unemployment continued its alarming climb, the Administration's second budget proposed a 60% cut in jobs and training funds for Indians. While there is no up-to-date calculation for national Indian unemployment from the BIA or the Department of Labor, this Committee has estimated the rate as ranging from 60% to 80% on most reservations, and many tribes report even higher unemployment rates. On the Wind River Reservation in Wyoming, for example, the jobless rate was 40% in 1981 and 53% in 1982, and is 68% today; the Gila River Indian Community in Arizona reports a 60% rate now; Navajo Nation reports an upward rising figure of 75%. Federal funding for Indian jobs and training programs have been cut by 50% since 1980, and the Administration now urges Congress to cut an additional 17% of the funds available to Indians under the Jobs Training and Partnership Act.

The Administration's proposals for FY1982 urged a 34% cut in the federal Indian budget, including such requests as a 96% cut in Indian housing, 82% cuts in Indian health facilities and economic development programs, a 46% cut in energy management programs earmarked for tribes, a 100% cut in Indian legal services programs and significant cuts in most programs and services for Indians, with no increase in the general assistance program. The Administration's FY1983 budget called for an overall decrease of 31%, including requests to eliminate funds in the areas of housing, economic development, energy management, legal services, health construction and all programs serving Indians in off-reservation areas, together with a 51% cut in preventative health funds and a 33% cut in monies for Indian advocacy and litigation support.

In the current budget proposals, the Administration again urges Congress to decrease most Indian programs, with no monies urged for Indian Education Act programs, urban health programs, water and sewer facilities, new health and education facilities, health scholarships, land acquisition and community health representatives, together with significant cuts in funds for irrigation construction and Indian Child Welfare Act grants.

The Administration proposes to transfer to the BIA, by April 1, 1983, the federally-recognized tribes' portion of the Administration for Native Americans, with a phase-out of ANA funds for tribes that are not federally recognized. Most of the tribes in the latter category are now going through the BIA's Federal Acknowlegment Project for administrative determinations regarding their inclusion in the category of federally-recognized tribes. For most of the non-federally-recognized tribes, the ANA funding is the only federal money available to them at this critical time. Since the Federal Acknowledgment Project seeks to discover which tribes have been unfairly excluded from federal status and funding eligibility, and since the ANA funding helps to speed up this process, it is inconsistent public policy to phase out the funding in one agency that complements an orderly public process in another agency. The ANA program is a valuable, flexible source of targeted funding available to tribes and Indians in off-reservation areas. It is well-run, with a small staff and minimal administrative overhead costs. This cannot be said of most BIA programs, and the Administration has no plan for how the ANA program would be transferred and run in the BIA.

In some instances where Congress has directed the Administration to meet Indian needs, the Administration has not complied. One example is found in its refusal to release funds appropriated in the FY1982 Interior Appropriations Act for two hospitals - the Rosebud Indian Hospital, where the Rosebud Sioux people are now receiving emergency care only, and the Sacaton Indian Hospital, where the Gila River Indian people have the highest recorded incidence of diabetes in the world. The appropriated funds have been impounded in the higher levels of the Department of Health and Human Services, which is committed to not constructing any new Indian hospitals. The failure to release the planning and design funds for these hospitals fits a plan to inhibit this phase, which is necessary to the actual building of the hospitals. In yesterday's testimony, the DHHS witnesses maintained that the Indian Health Service priority is basic health care, hospitals and clinics, yet IHS is not proceeding to construct the approved hospitals and is diverting the construction funds to cover IHS pay-costs. The witnesses maintained that funding these "priority" areas necessitates wiping out the funds for community health representatives and preventative care. In practical terms, the Administration has made a decision to underfund services that would lead to the control of diabetes, for example, while maintaining funds for amputations, most of which occur as a result of failure to adequately treat and control diabetes. As the Chairman aptly stated, "This is a lousy way to save a dollar."

Once again, the Administration has taken steps through the budget process to close Wahpeton, Intermountain, Concho and SIPI in the off-reservation boarding schools category. We are informed that the BIA intends to issue RIF notices at the Intermountain School in March of this year, and the BIA has a closure plan for all schools that has not been provided in formal consultation, as required by law, with the affected tribes. That closure plan is provided for the Committee's information, together with a copy of the February 23, 1983, statement of the Wahpeton Indian School Board before the House Appropriation Subcommittee on Interior and Related Agencies. The Chairman's efforts in preventing closure of the Wahpeton Indian School have been the key to its operation at this time and are widely known and appreciated.

The Administration's current budget does not reflect its funding obligations to the Table Bluff and other rancherias in California. (For additional background on this matter, please refer to our March 23, 1981, testimony to the Committee.) Over a year ago, after six years of litigation by the California Indian Legal Services, final judgment was entered in the case of Table Bluff Band of Indians v. Watt, declaring that the Rancheria and its people never had been lawfully terminated pursuant to the California Rancheria Act of 1958, P.L. 85-671. The Rancheria and its people were granted extensive equitable relief, including restoration of Rancheria boundaries and Indian country status, subject to P.L. 83-280, and direction that the Secretary restore trust status of Rancheria lands at the option and in the manner designated by Indian landowners. The Secretary was further directed to provide retroactive federal services and/or priority in receipt of future services and, if necessary to carry out federal obligations under the judgment, seek and support the appropriation of sufficient funds for those purposes. Since the district court's judgment became final, the Rancheria has made numerous requests of the BIA to meet and plan for the orderly implementation of the judgment. Well after the first anniversary of the decision, the BIA responded, last month, with a preliminary report that Table Bluff's share of funding in eight categories for the years 1974 through 1982 exceed $800,000. The Rancheria awaits the final BIA report of estimates for the years of 1960 through 1973. A related case would "unterminate" 17 rancherias, would restore Indian status to some 400 people and would obligate the BIA to pay the costs incidental to restoring the lands to trust and would restore the eligibility for federal services. Although this additional federal obligation is well known within the Interior Department, its justification of funds fails to include a request for Table Bluff or to inform Congress of these needs and obligations.

While Congress has not gone along with the full extent of the Administration's past recommendations, each fiscal year has seen cuts in most programs and services. Those cuts, together with the inflationary impact and the increasing needs and costs of meeting those needs, have resulted in greatly diminished programmatic effectiveness and decreasing Indian employment and health and housing conditions. The overall corrosion also decreases the ability of Indians to manage their resources and defend their rights at a time when the Administration is cutting back on its protective programs and legal advocacy. Despite the Administration's recent affirmation of its legal, fiduciary obligations regarding Indian governments and people, its FY1984 budget proposes major reductions in a wide range of programs that occur as a result of the United States' treaty and trust responsibilities. Despite the Administration's assertion of sensitivity to the economic and social needs of Indian governments and people, its FY1984 budget urges substantial cut-backs in programs that lead to effective resource management and that assist Indian governments to meet the pressing needs of their citizenry. Despite the Administration's call for a freeze on spending for domestic programs, Indians are frozen out of its FY1984 budget in key categories of programs that have resulted in steady gains over their decade and less of operation.

There is an undisputable emergency in Indian America. Rather than attempting to address the emergency needs, the Administration tells Indian governments to assume new responsibilities with fewer resources, while the Indian people are told to look to their tribal governments and to state and local governments for help. Solutions to today's situation can be found in meeting basic human needs on the emergency basis that they exist, in clarifying all questions regarding tribal status and ownership of resources, in managing the Indian trust estate in a manner that will result in benefits to the Indian beneficiaries. In its FY1984 budget, the Administration has failed to encourage solutions, by cutting the programs that meet human needs, by diminishing its protective and legal advocacy programs, by failing to support settlements of mutual-consent agreements regarding resource ownership and management issues, by cutting off the only available monies to those tribes seeking to establish their federal Indian status.

In developing its budget for FY1984, the Administration again has failed to comply with the Indian Reorganization Act, which requires the Secretary to advise all tribes of all appropriation estimates affecting them, before such estimates are submitted to the Bureau of the Budget, now OMB, and Congress. In this failure, this Administration continues a 50-year tradition of Interior Secretaries who have ignored this statutory obligation. (For additional information on this point, please refer to our testimony of March 23, 1981.)

Even where tribal priorities are well-known, the FY1984 budget promotes an agenda that is inconsistent with stated wishes and needs. The remainder of this statement will illustrate this point by addressing a small but vital portion of the BIA budget that provides funding to resolve longstanding and ongoing Indian resource issues under the Indian Rights Protection program. The FY1984 request for this program is $16,323,000, which represents a decrease of $1,311,000 below the FY1983 appropriation. The program is found in the BIA Trust Responsibilities program, which the Administration requests Congress to fund at a level of $44,042,000 for FY1984, or $1,997,000 below the FY1983 appropriation.

By combining two programs within Indian Rights Protection - Unresolved Indian Rights Issues, funded for FY1983 at $630,000, and Statute of Limitations, funded for FY1983 at $2,500,000 - the Administration proposes to decrease total funding by $1,630,000, from $3,130,000 to $1,500,000, for FY1984. The Unresolved Indian Rights Issues category funds settlements of certain trespass and property conversion or damage issues, or to support litigation where no settlement is possible. The requested need, thus far in FY1983, is $1,173,500, exceeding the appropriation by $543,500.

The Statute of Limitations program is well known to the Committee, which is to be commended for its efforts to extend the December 31, 1982, deadline on the 17,000 or so money damages claims under 28 USC 2415. The extension, carried in the Interior Appropriations Act for FY1983, set a series of timelines for the Administration to process these claims, with the identification and classification tasks to be completed by the end of this calendar year. Once this phase ends, the claims should be prepared for litigation or legislative or administrative resolution. The FY1984 request does not reflect the necessary costs involved in notification of the status of claims, hearing claimants' appeals, providing claimants with evidentiary and decision-making data and investigating new claims or fully researching claims that have not been adequately processed.

Until the first phase of the Indian Claims Limitation Act is completed, the total number of claims or their associative costs, cannot be known. The BIA justification contemplates that 900 claims in two categories will be "addressed" during FY1984 at a per-claim cost of $1,250. This cost alone would total $1,125,000, leaving $375,000 in the FY1984 budget for Unresolved Indian Rights Issues and the Statute of Limitations program. The BIA justification states, on page 191, that "it was administratively determined that (1) in the case of rights-of-ways, while technical trespasses exist, claims for damages were without merit since the benefits derived offset the damages; (2) in those cases where title was the most valuable aspect, and since the statute does not run on title cases, it would not be cost effective to pursue these claims for damages." Regarding the rights-of-way claims, the Administration assumes, without adequately researching each claim, that all are beneficial, which is a separate matter from whether or not they are meritorious. The Interior memoranda on this subject suggest that the assessment of benefits was based upon one group of claims involving section-line roads, rather than claims involving railroad tracks and major highways cutting allotments in half, or utility lines that serve the claimants, rather than large transformers and trunk lines that do not. To date, this category of claims has not been fully researched, and the "beneficial" nature of these trespass claims cannot be determined with certainty.

Regarding the trespass aspects of title cases, the Interior Department seems to have used the excuse of the trespass claims being of lesser value to avoid bringing the title cases, particularly in water cases in the Southwest. In certain land claims, the value of the generations of trespass violations is greater than that of the land, especially in terms of leverage in negotiations. In pressing certain trespass claims, some tribes have found that various federal agencies cannot agree upon tribal boundaries, and have called for new surveys. Rather than an increase in the budget for cadastral surveys, the Administration proposes a $300,000 decrease for FY1984. Additional cuts in programs that support activity in this and other categories of claims are found in the Trust Responsibilities budget for Real Estate and Financial Trust, where the requested level of $27,719,000 represents a $686,000 decrease for FY1984, with cuts proposed in lands records improvement (-$100,000), lease compliance (-$1,035,000) and special appraisals (-$200,000).

The Administration requests FY1984 funding for Litigation Support at the level of the FY1983 appropriation, $1,762,000, with no increase for inflation or increased costs or added workload. In FY1983, thus far, tribal requests for litigation support in the area of water rights total $6,741,704, with only $300,000, or 4.5%, funded. This means that there has been no litigation support in this category to fund tribal requests totalling $6,441,704, or 95.5%. In the area of litigation support for land rights cases for FY1983, the picture is somewhat brighter, in that the tribes requested $1,671,130 and $1,625,000 was funded, with $46,130 not funded. All Litigation Support requests from tribes in FY1983, thus far, total $6,735,564, with requests for $932,500 funded.

In the Hunting and Fishing Rights program of Indian Rights Protection, the FY1984 request of $1,858,000 represents a $200,000 increase over the FY1983 appropriation. The tribal requests for FY1983, thus far, total $2,836,000, with $1,036,000 (or 36.5%) funded and $1,800,000 (or 63.5%) not funded. Based upon the FY1983 experience of need and availability of funds to meet that need, a greater increase than the 12% should have been requested.

In the Indian Rights Protection funding of attorney fees, the FY1984 budget proposes an increase of $500,000, from $1,000,000 to $1,500,000. Requests in the water rights area for FY1983, thus far, total $1,151,568, with $0 funded. In the land rights area, FT1983 requests total $781,116, with $280,000 funded.

It should be noted that the above figures for FY1983 requests include only those requests that were accepted into the BIA request process. They do not reflect the requests that were discouraged early in the process or the need that continues to exist.

In addition to funding cuts and request denials in the water rights categories under the Indian Rights Protection program, water rights funding in other parts of the BIA's FY1984 proposal has been decreased by $12,054,000 below the FY1983 appropriation, as follows: Water Policy Implementation, -$500,000, from $5,450,000 to $4,950,000; Water Resources, -$240,000, from $6,722,000 to $6,962,000; Irrigation & Power, +$2,261,000, from $6,748,000 to $9,009,000; and Construction/ Irrigation, -$13,575,000, from $18,900,000 to $5,325,000.

In general, the water rights proposals for FY1984 demonstrate a diminishing funding priority, even though this category is a clear priority of the tribes and a stated priority of the Administration. Within the context of the reduced funding in this critical area, the budget makes clear the Administration's intent to force tribes to negotiate, rather than litigate, their water rights. Even where there has been successful negotiation, however, the budget does not fulfill the promise of the fruits of negotiation. The glaring example of this is found in the Papago Water Claims Act of 1982, first vetoed, then approved after it was passed a second time following several additional rounds of negotiation. The FY1984 budget includes nothing for the implementation of this law.

The BIA justification for the Water Resources program, on page 159, states a "relationship" to the Indian Rights Protection program, with "no overlap." This program "provides the technical studies which form the basis for negotiated settlements of water rights and for the development of water resources. However, when negotiation is not successful and litigation occurs, the Rights Protection Program provides funding to prepare the existing technical data in the proper form for litigation efforts; to conduct detailed, intensive studies on specific areas of concern; and to pay for expert testimony." The reduction in the Water Policy Implementation program will cut "about 10%" of the FY1984 studies for "preparation of tribal water claim packages for use in negotiations and as source data for future water resource development" because "negotiations have temporarily slowed while tribes await the outcome of appeals to the Supreme Court on jurisdiction by the States of Arizona and Montana" (page 161). If tribes litigate, they find that experts, studies and/or attorneys will not be funded. If they negotiate, they find that there is less and less funding for the same type of support that is needed in litigation, thus making it impossible for tribal negotiators to make informed decisions.

While budgetary matters are decided, the legal and policy decisions within the Interior Department continue to cut against the Indian interest. During 1982, the Interior Solicitor recommended that the United States abandon the San Carlos Apache, Northern Cheyenne, Pyramid Lake and other tribes in litigation pending before the Supreme Court. These requests were denied by the Justice Department. The Solicitor's denials of tribal requests to bring water rights litigation are consistent with his statements to tribal delegations that water rights are a states' rights matter and that the office he holds is separate from the trust obligations of the United States, and are consistent with the policy direction of the FY1984 budget proposals.

During a general topic section of the Interior Secretary's February 19 speech to the 1983 Conservative Political Action Conference, the Administration's methodology for agenda-setting was described in this way: "We came to change the agenda....We knew that we did not have a sufficient enough victory in 1980 to control all dimensions. So, we looked at the situation and we realized that, with the composition of the House of Representatives, there would not be much success in trying to restore America's wealth of beauty and resources, if you're going to be dependent on that crew....We made a determination that we would do it through the budget and the administrative process."

The federal Indian agenda since the post-termination era began has been Indian economic survival, clarification of resource ownership, protection of resource rights and diligent resource management. This is the agenda, never fully carried out by any Administration, that this one proposes to change through the budget and administrative process. The efforts of this Committee to maintain a positive federal Indian agenda are greatly appreciated.

ALL INDIAN PUEBLO COUNCIL

STATEMENT OF
DELFIN J. LOVATO, CHAIRMAN
BEFORE THE
SENATE/HOUSE SUBCOMMITTEE ON APPROPRIATIONS FOR INTERIOR AND RELATED AGENCIES

FEBRUARY 22-25, 1983

Mr. Chairman and members of the Subcommittee on Appropriations for the Interior and Related Agencies, my name is Delfin Lovato, I am the Chairman of the All Indian Pueblo Council (AIPC) which is comprised of the nineteen Pueblo Tribes of New Mexico: Acoma, Cochiti, Isleta, Jemez, Laguna, San Felipe, Sandia, Santa Ana, Santo Domingo, Zia, Zuni, Nambe, Picuris, Pojoaque, San Ildefonso, San Juan, Santa Clara, Taos, and Tesuque. Present with me here today are: Governor Jay Mountain of San Ildefonso Pueblo; Governor Quincy Panteah of Zuni Pueblo; Governor Paul Chinana of Jemez Pueblo; Governor Paul Tafoya of Santa Clara; and, Lt. Governor Joe Aguino of San Juan Pueblo.

Mr. Chairman and members of the Committee, we come before you today to present testimony on some of the unmet, vital needs of the Pueblo Indians. The nineteen Pueblos have a combined population of 55,000 and a combined land base in excess of two million acres. While the nineteen Pueblos are united as one under the All Indian Pueblo Council, each of the nineteen Pueblos is a separate and distinct tribal government with all inherent powers therein. However, despite this autonomy, many of the problems and needs are similar.

Unemployment and the general, social and economic conditions on Indian reservations in New Mexico has reached a critical point. This Administration is misinformed or un-informed or refusing to recognize the desperate situations that tribal governments are facing in every major area, including rights protection, self-determination, water rights, etc. We continue to hear officials of this Administration annunciate a policy which would lead to more tribal control and decision making, yet with their own inactions, they continue to stymie tribal self-determination. For lack of time and space, I will not go into detail, however one only has to look at the record to see evidence of this fact. I hope and ask that this Committee challenges this Administration to practice what they preach and to provide you and members of the entire Congress with a true picture of the dire conditions on Indian reservations in this Country.

Our testimony today will address some major needs in three categories: Indian Health; 2) Bureau of Indian Affairs; and, 3) Educational Programs and Services. They are as follows:

I. INDIAN HEALTH SERVICES:

The Indian Health Service (IHS) is the primary Federal health resource for American Indians. The IHS delivery system provides direct health service. Also the purchase of medical care through contractual arrangements from private providers is used to supplement and compliment other health care resources available to Indian people. The economic conditions that our Country is experiencing and the resulting budget cutbacks are producing severe strain upon the capabilities of the IHS to provide the full scope of health services as envisioned by the Indian Health Care Improvement Act.

IHS is composed of four major budget sections: 1) Clinical Services; 2) Preventive Services; 3) Other Services; and, 4) Construction. In FY '82 and FY '83 IHS operated under a continuing resolution without a clear-cut budget until well into the program year, causing many problems. Comment on the FY '84 budget must take into account the deficiencies and problems encountered with this prolonged budget process and the uncertainties it produced. The following are priority items:

A. CLINICAL/AMBULATORY NURSING:

The impact of budget cuts on nursing in hospital and ambulatory facilities has been most noticeable in the effects it has had as a result of not being able to fill vacant nursing positions. Lapsed nursing positions throughout the year averaged ten in the area. Additional vacancies have existed throughout the year at the majority of facilities. Of the above ten, eight remain vacant; we are informed at least six will not be filled. Limits have been set on the amount of patient care nursing can deliver when acute shortages exist. Long term deficiencies in staffing will result in not accepting certain patients who require a high degree of care, and limits on total census.

B. DENTAL:

The Albuquerque Area Dental Program was tentatively allocated $1,969,000 for FY '83. The cost of maintaining the operation at an adequate level will be $2,300,000 including non-recurring costs. Assuming that $2.3 million is what will be available for FY '83, the program will not be able to fund the nine additional positions authorized as part of the Albuquerque Service Unit Ambulatory Care Expansion. The impact will be that the beneficiary population will not receive the approximately 15,000 dental services which nine positions could produce in a year. The deficiency will be compounded if FY '84 funding does not increase. Coordination of the Area's dental disease prevention program has been severely reduced through the utilization of the vacant Public Health Hygienist position for a clinical dentist. The impact has been a reduction in fluoridation surveillance and consultation and a reduction in community activities in the promotion of oral health.

C. COMMUNITY MENTAL HEALTH:

Previous year unfunded requirements were met by lapsing positions; eliminating some direct service contracts; and, curtailing travel, staff, education and prevention activities. Three direct service positions remain vacant, representing 13 % of field staff and resulting in a loss of direct patient contracts of approximately 3,000. Disease prevention/health promotion activities will remain at a limited level due to lack of staff and funds to the extent that direct patient care needs must receive first priority. .Funds for contractors who fill service gaps to staff vacancies will not be available in the Mental Health Budget. This leaves us in a "Catch-22" of being able neither to fill positions nor to fund contractors to provide the services.

D. ALCOHOLISM:

The impact of Area budget cuts on tribal alcoholism programs created a situation whereby programs had to reduce staff and services, this jeopardized the quality and quantity of existing program services Indirect rates took a greater share of the costs. Programs were forced to reduce their scope of work accordingly with condensed budgets. As long as individual alcoholism programs continue at the same level of funding it is anticipated that programs will again be faced with reducing budgets, laying off staff while indirect costs proportionately increase. With diminished health resources, the scope of work must lessen. In short, Indian communities would be unable to continue providing essential alcoholism services. As unemployment and recession grows at reservations, alcohol abuse increases dramatically. Already family violence, suicide, crime, cirrhosis of the liver, auto accidents, etc., all related to alcohol abuse appear to be on the up-swing.

Alcoholism programs are an essential part of health care delivery; without them we can expect increased alcohol related needs for hospital and clinic services.

E. CONTRACT HEALTH SERVICE:

Contract health budgets to each Service Unit will be substantially inadequate to meet projected Service Unit requirements. FY '83 allowances will not be sufficient to provide for full services and will necessitate maintaining priority levels also resulting in fewer services being provided. Further reductions will necessitate a more restrictive approach to contract health authorizations, which will result in an increase of complaints and appeals.

F. PREVENTATIVE SERVICES:

1. Community Health Representatives:

The FY '83 budget restored the funding for the CHR program, however services have been greatly reduced;

e.g., optometric, environmental health, physical therapy, emergency medical technicians, maternal and child health, and dental (dental health in the schools has been eliminated). Specialty services in safety and home health care have also been eliminated.

2. Sanitation:

Funding cut backs in the environmental health programs budget will adversely affect the program's capability of providing the needed services to Indian communities.

G. ELDERLY:

In traditional Pueblo society, the elderly are respected and held in high esteem by other Pueblo residents. In a world of changing values, the elderly are called upon frequently to assert their place within the traditional Indian community. With this increased dependence on the elderly for traditional guidance, it is essential for them to live within the confines of the reservation. Adequate funding for programs to support the elderly is an utmost priority in our communities.

H. ZUNI SERVICE UNIT NEEDS:

In order to maintain the previously existing tribal health programs it is imperative that the existing level of funding of these programs be maintained. Also, due to our isolation from major metropolitan areas, it is important for us to provide adequate and pleasant living quarters in order to recruit and retain professional staff for our programs. Another very important and much needed project is the Zuni Hospital renovation project. Due to an extraordinary patient load and certain design deficiencies in our current hospital facility, it has become necessary to increase our capacity for dealing with this rising demand for services. Operation/maintenance funding is also needed for existing facilities for dependent/neglected youth and the handicapped. The continued existence of the Commissioned Officers Corps is imperative for provision of professional health services. A majority of health professionals are commissioned officers; support for their continued existence is imperative.

I. ACOMA-CANONCITO-LAGUNA SERVICE UNIT NEEDS:

Fund the Pay Act completely, thereby releasing funds within the system to address personnel shortages, and insufficient health services. Reinstate general maintenance budgets, currently there are little or no resources available. Allow flexibility in work schedules to allow Service Units to develop efficient work plans to meet peak service demands.

J. SANTA FE SERVICE UNIT NEEDS:

Personnel:

- 23 Registered Nurses/Nurse Assistants
- 12 Ward/Medical/Service Clerks
- 5 Technician/Technologist
- 8 Housekeepers/General Mechanic
- 1 Alcoholism Coordinator

Individual Health Center Needs:

Taos:

1 Housekeeper / 1 Mental Health Worker

Dulce:

1 Housekeeper / 1 Medical Records Clerk

Santa Clara:

1 Physician's Assistant / 1 Medical Records Clerk
1 Clinical Registered Nurse / 1 LPN / 1 Mental Health Worker @ San Juan Pueblo (All these positions allocated but not funded).

K. ALBUQUERQUE SERVICE UNIT NEEDS:

Up-dating and implementing a written plan to manage by. Using the written service unit health delivery plan to facilitate the best use of existing resources. This is necessary to meet increasing (number of patients) demand for health care services, primary care, secondary care and tertiary care. The ambulatory outpatient visits were 37,101 in FY '81, 39,160 in FY '82, and projected to 42,800 in FY '83. The non-beneficiary ruling will not appreciably affect the projection. For all clinics in the service unit outpatient visits will reach 72,000 in FY '83.

Seek and obtain permission to use Federal personnel management tools specifically the full time equivalent staffing system. If we were allowed to use this system it could result in a more effective level of productivity of existing resources.

Implement a written planning/managing system for Albuquerque Area Health System that provides for Service Units and tribes to participate in planning. AIPC requests the FY '82 funding be reinstated to prevent erosion of services due to decreases.

II. BUREAU OF INDIAN AFFAIRS:

The nineteen Pueblos do not have an abundance of natural resources or wealth and as such are dependent on the Bureau of Indian Affairs funding and services to meet the essential and basic needs of the tribal governments, and their people. Today, we are here to present needs which continue to hamper the social-economic progress of the nineteen Pueblo tribes.

A. EQUITY FUNDING:

Seventeen of the nineteen New Mexico Pueblos receive all BIA programs and services through two BIA Agencies: the Northern Pueblos Agency (NPA) which services eight northern Pueblos, and the Southern Pueblos Agency (SPA) which services nine Pueblos. Since the BIA funding formula is based on a single tribal agency basis, those agencies which serve more than one tribe are continually under-funded. Every dollar allocated to the two Pueblo Agencies must be divided eight or nine ways, respectively.

B. FACILITY FUNDING:

The Plant Management Program at Santa Fe Indian School was contracted in FY '82. In order to adequately operate this critical service, it is essential that a system be developed that will support a more equitable distribution of funds for maintenance and operations. The current funding formula makes no allowance for increased usage and occupancy, utility rates, types of construction, facility conditions.

Since the transfer of the Institute of American Indian Arts (IAIA) in FY '82 and the use of the campus by Santa Fe Indian School, the occupancy of the facilities has risen by over 325% from 136 students to 452 students. Utility usage has increased dramatically. Last year alone, our gas bill increased by $17,000 and cost a total of $107,406.

Our current allocation for facilities of 327,602 square feet amounts to $2.18 per square foot. Professional educational planners estimate that $4.00 is the minimum cost per square foot to operate a school program. Based on this estimate, an allocation of $1,310,408 is required to manage Santa Fe Indian School adequately. This represents an increase in funding of $595,408.

Total Requested: $1,310,408

A backlog of improvements and repairs needed to support the existing school program has been submitted to the Bureau of Indian Affairs. Many of these are a result of the increased occupancy and usage of the campus. A major part of this backlog is that six buildings urgently need re-roofing. Also, the school must be upgraded in order to create a safe environment. Smoke detectors, extinguisher systems, and fire rated doors must be installed. Drilling two wells on campus would alleviate costly water bills ($50,752 in FY '82) and provide additional fire security necessary due to low water pressure in city hydrants.

Minor Improvements/Repair Backlog	$ 70,903
Major Improvements/Repair Backlog	110,189
Roof Repairs	127,979
Estimated Cost to Meet Safety Reqmts.	14,194
Cost of 2 Wells @ $30,000 ea.	60,000

The Bureau budget is well below the minimum estimated cost to operate the Santa Fe Indian School and does not take actual occupancy and usage into account. There is a need for:

1) A more equitable funding formula based on square foot usage and utility costs.

   Cost: $1,310,408

2) Elimination of the backlog of improvements and repairs and upgrading to bring the school facilities up to safety standards.

   Cost: $978,673

C. IRRIGATION CONSTRUCTION NEEDS:

With the Area and Agency offices encouraging tribal enterprise development among the Pueblos, it is important that we keep in mind that irrigation construction affects agriculture enterprise development. The specific needs of the Pueblos are listed below:

Cochiti Pueblo Needs:

Construction Costs	$ 117,000	
Rehabilitation and Betterment	160,000	
On-Farm Development	1,008,000	
Total Pueblo Needs:		$1,285,000

Isleta Pueblo Needs:

Construction Costs	228,000	
Rehabilitation and Betterment	607,000	
On-Farm Development	3,321,000	
		$4,156,000

San Juan Pueblo Needs:

Surveys and Investigations	$ -0-	
Design	-0-	
Construction	1,500,000	
		$1,500,000

Taos Pueblo Needs:

Surveys and Investigation	$ 3,750	
Design	18,750	
Construction	352,500	
		$375,000

Santa Clara Pueblo Needs:

Survey and Investigation	$ 2,000	
Design	20,000	
Construction	250,000	
		$272,000

Nambe Pueblo Needs:

Survey and Investigations	$ 6,500	
Design	32,500	
Construction	650,000	
		$689,000

Pojoaque Pueblo Needs:

Investigations	4,000	
Drilling	360,000	
		$364,000

Picuris Pueblo Needs:

Surveys and Investigations	$ 4,000	
Design	31,250	
Construction	277,250	
		$312,500

Other Pueblo Needs/Flood:

Oakwash Dam at Zuni Pueblo	$10,015,600
Yellowhouse Dam at Zuni	49,000,000
Correction/Monitoring of current Dams located on all Pueblos lands	100,000
San Felipe Flood Protection Works	500,000
Peralta Settling Basin at Isleta	1,800,000
Artrisco Feeder Canal at Sandia Pueblo	50,000
Middle Rio Grande Pueblo Irrigation	3,600,000

Jemez Pueblo Needs:

Construction Costs	$	
Rehabilitation and Betterment	874,000	
On-Farm Development	1,673,000	
		$2,547,000

San Felipe Pueblo Needs:

Construction Costs	$ 710,000	
Rehabilitation and Betterment	943,000	
On-Farm Development	2,973,000	
		$4,626,000

Santa Ana Pueblo Needs:

Construction Costs	$ 18,000	
Rehabilitation and Betterment	427,000	
On-Farm Development	864,000	
		$1,309,000

Santo Domingo Pueblo Needs:

Construction Costs	$ 140,000	
Rehabilitation and Betterment	1,345,000	
On-Farm Development	2,157,000	
		$3,642,000

Zia Pueblo Needs:

Construction Costs	$76,000,000	
Rehabilitation and Betterment	25,000	
On-Farm Development	597,000	
		$76,622,000

Tesuque Pueblo Needs:

Survey and Investigation	$ 2,000	
Design	15,000	
Construction	300,000	
		$317,000

San Ildefonso Pueblo:

Surveys and Investigations	$ 1,000	
Design	6,000	
Construction	53,000	
		$60,000

D. OTHER NEEDS:

Pueblo Water Issues:

The Albuquerque Area Office is involved in 10 water rights adjudications in New Mexico and Colorado affecting 18 tribes (7 adjudications affect 13 Pueblos), a water trespass case on the Rio San Jose affecting 2 other Pueblos, and addressing numerous encroachments on Indian water by power companies, mining interests and other developments.

Cadastral Surveys:

The Federal Government is currently re-doing the process by which funds are disbursed for cadastral surveys. In FY '83 the Central Office is allocating $250,000 to the Albuquerque Area Office, but is transferring this money directly to the Bureau of Land Management. Starting in FY '84 the allocation will be sent directly to the Area Office and it will transfer the money. The problems with this are: the allocation to the Albuquerque Area Office has to be divided between two Bureau of Land Management State Offices (the New Mexico State Office and the Colorado State Office); and, at a cost to arrive at a final survey plat of between $500 to $1,000 per mile, $25,000 will only obtain between 250 to 500 miles of surveys. Considering the backlog of survey needs at the Albuquerque Area Office, the $25,000 allocation will not buy much.

A minimum of $500,000 per year would be a beginning figure that would better serve our surveying needs.

Statute of Limitations:

FY '84 funding needs for Statute of Limitations projects will fall into three categories: 1) Litigation support for identified claims; 2) Administrative support for legislative claims; 3) Hire outside legal counsel for claims where conflicts of interest are involved so that the Federal Government cannot represent the tribes.

At a minimum the Albuquerque Area would need funding for four positions and the necessary support. This would mean a minimum of $250,000. The largest of the claims presently identified is a Santo Domingo land claim involving 20,000 acres. To properly pursue this claim would involve up to $100,000 per year for five years. On several of the major litigation claims outside counsel will be needed, depending upon when water rights claims are filed and at what pace they proceed, this could involve a minimum of $200,000 per year.

Indian Rights Protection:

We are disturbed about the arbitrary reductions the Bureau continues to impose. In New Mexico we have one court case, the Aamodt Case, which we expect will set precedence for other Indian water rights litigation. Consequently, priorities and funding allocations are inconsistent with needs. The BIA has been in water rights litigation but has yet to develop reliable cost effective information, yet it argues that costs for water litigation is expensive. This is hardly an appropriate reason or position for the Indian Trustee to assume. Often water sheds in litigation involve U.S. Government interest, so the conflict of interest issue arises.

We recommend because of the Federal Governments trust responsibility in matters involving the water rights of Indian tribes, that the BIA as agent to carry out the Federal trust should be required to develop appropriate policies and priorities for cases already in litigation and those just in the inventory phase, and in addition develop funding mechanisms in increments of not less than five years so that adequate planning and equitable allocations are assured.

III. EDUCATIONAL PROGRAMS AND SERVICES:

Education for the Pueblo peoples of New Mexico has been and continues to be of the highest concern and priority, especially in this time of economic difficulties. The education, training and re-training of our people will determine to a great extent our ability to survive the cruch we find ourselves in. Listed below are the needs of individual programs:

A. LAGUNA MIDDLE SCHOOL:

The Pueblo of Laguna was number one on the BIA construction priority list in FY '82 for the construction of a new school to house a middle school. The Secretary of Interior has now determined this facility is no longer justifiable. AIPC requests that the construction of this much needed facility proceed according to the priority construction schedule of FY '82.

B. LAGUNA OFFICE OF INDIAN EDUCATION PROGRAMS:

The Laguna Tribe is justifiably concerned that BIA is on a course of abolishing the Laguna Office of Indian Education which was established in FY '81. Considering the actions of BIA with respect to its downward funding of this office, AIPC requests that funds be restored to at least its FY '82 level of $71,336.

C. SOUTHWESTERN INDIAN POLYTECHNIC INSTITUTE:

The BIA's Office of Education Programs has appropriated no funds for the operation of this Institute in FY '84. Because of the gravity of this proposed closure, which can only result in serious repercussions for the educational future of Indian students; and in order to allow the appointed task force to adequately address this issue and make sound recommendations, AIPC requests continued funding for SIPI at the SIPI request for instruction of $590,000 for FY '84 and, absent the funds for the FY '84 request, SIPI should be funded at no less than the FY '83 level of $2,400,000.

D. HIGHER EDUCATION:

Education at the post secondary level for the Pueblo people of New Mexico has been of the utmost importance and priority. Teacher training in elementary education for the past two years has addressed a teacher deficit with sound and significant results. The focus for this year is a special education program to fill a void exemplified by growing numbers of identified handicapped children and a disproportionate number of qualified special education teachers. A strong need not yet addressed remains at the secondary education level. AIPC is requesting adequate funding for FY '84 to continue these efforts in maintaining/expanding higher education programs.

PREPARED STATEMENT OF THE SANTA FE INDIAN SCHOOL
SUBMITTED BY JOSEPH ABEYTA, SUPERINTENDENT

Mr. Chairman and committee members, my name is Joseph Abeyta. I am Superintendent of the Santa Fe Indian School, a tribal contract school for approximately 500 students in grades seven through twelve. With me is Mr. Mark Cheresposy of Laguna Pueblo, Chairman for our Parents' Advisory Council and a School Board member. We come before you today to present testimony on some of the current and vital educational needs of Indian children.

INTRODUCTION

The present administration has met the challenge of inflation with wide-ranging budget cuts to promote responsible fiscal planning. Decisions are being made at the national level which will determine our future and the educational future of our Indian children. Reliable data is required on which to base sound budgetary decisions, but the information currently available on the educational needs of Indian people is inaccurate and out-of-date. There is a glaring need for a reassessment of the present state of Indian education to give a clear direction to future policies affecting Native Americans.

I would like to briefly address three areas for your consideration which all call for a reevaluation of present Bureau of Indian Affairs policies and procedures:

I. A National Study of Indian Education
II. Funding for Gifted and Talented Indian Students under Public Law 95-561
III. Financial Support for Basic Facility Needs

E. TITLE IV - INDIAN EDUCATION:

The Administration has requested no funds for FY '84 for Title IV programs, Parts A,B,C, of the Indian Education Act. Because of the positive and significant impact Title IV has made on Indian education from accelerated basic skills preparation, AIPC requests fund for Parts A,B,C, of Title IV FY '83 level.

F. ZUNI ADULT VOCATIONAL PROGRAM:

This program was funded in FY '82 at $130,000 and in FY '83 for $100,300. Because of Zuni Pueblo's priority and need, AIPC supports Zuni's request of $130,000 for FY '84.

AIPC further supports Zuni School District's Title IV funds for its educational programs. Zuni's JOM funds have been drastically reduced in FY '83. AIPC supports funding for Zuni's JOM at $276,789.

G. NORTHERN PUEBLOS AGENCY:

Due to the lack of funding for all educational programs at NPA, efforts in education have been drastically curtailed. It is imperative that Title IV funding for Parts A,B,C, be restored at the FY '83 level.

H. SOUTHERN PUEBLOS AGENCY:

Because of high rates of unemployment among the Pueblos, it is imperative funds for adult vocational education be restored. The training, or re-training, of our people is mandatory.

I. JOHNSON O'MALLEY PROGRAM:

Assistance to the Pueblo Tribes through this program has been such that without this aid many services would be inadequate at best and unmet at worst. AIPC urges the funding of this program to at least the FY '83 level of $534,880 for the Southern Pueblos Agency and $1-9,461 for the Northern Pueblos Agency.

I. A NATIONAL STUDY OF INDIAN EDUCATION

We propose that a national study of Indian education be commissioned by the Congress of the United States. This study would be conducted through a partnership between Indian people and a nationally recognized institution of higher learning. Such research would enable Congressional and tribal leaders to make the best use of opportunities that exist for Indian people, to save money, and to provide for long-range planning.

There have been three surveys of Indian education on a national level produced over the past sixty years (Meriam:1928; Kennedy:1969; and Havighurst:1969). All three were initiated by the government and conducted by governmental or private institutions. These studies involved Indians only marginally as advisors or research staff. The conclusions and recommendations, however valid, were written under the premise of doing things to Indians rather than having them do for themselves, and therefore were never effectively implemented.

With your support, this project will be unique in that Indian people will participate as full members in its design, implementation, and analysis. Its purpose will be 1) to generate accurate and current data, 2) to offer workable recommendations to resolve problems, and 3) to provide a future direction for Indian education. This Congressionally-commissioned study would represent an unprecedented relationship betweeen Congressional leaders, Indian tribes, and a reputable institution of higher learning.

Estimated Cost: $578,000.00

II. FUNDING FOR GIFTED AND TALENTED INDIAN STUDENTS UNDER P.L. 95-561

Indian education programs have traditionally been remedial and focused on children with learning problems. However, national statistics and our own experience at Santa Fe Indian School confirm that many Indian children are gifted and talented and that they show impressive gains when offered programs to meet their unique needs. There is a line item in the funding formula under P.L. 95-561 (the Indian Basic Education Act) for gifted and talented students, but funds have never been included for this item.

Title IV-A has funded the highly successful Accelerated Learning Program at Santa Fe Indian School for the last three years. However, it is being proposed that Title IV be completely terminated by FY 1984. Perhaps this proposal is based on the assumption that Bureau of Indian Affairs programs will accommodate our gifted children. This gives Indian people two alternatives: a Title program scheduled for termination or a P.L. 95-561 formula line item for which no funds have been budgeted. Again the exceptional child is overlooked and the Indian parents are left without choices for their children.

Approximately nine percent of the student population across the nation qualifies as "superior" on the basis of I.Q. and other criteria* Under P.L. 95-561, the exceptional child may receive a weight factor from .25 to 3 units (One unit = $1,970) depending on the nature of services delivered. Using a moderate factor of .50 as a base would allow students to participate in the regular program while receiving special services. We recommend that this factor be used as a base and that funding be budgeted for gifted and talented students under the P.L. 95-561 formula.

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*(Wechsler Intelligence Scale)

3

III. FINANCIAL SUPPORT FOR BASIC FACILITY NEEDS

1. Funding Formula

The Plant Management program at Santa Fe Indian School was contracted in FY 1982. In order to adequately operate this critical service, it is essential that a system be developed that will support a more equitable distribution of funds for maintenance and operations. The current funding formula makes no allowance for increased usage and occupancy, utility rates, types of construction, or condition of facilities.

Since the transfer of the Institute of American Indian Arts in FY 1982 and the use of the campus by Santa Fe Indian School, the occupancy of the facilities has risen by over 325% from 136 students to 452 students. Utility usage has increased dramatically. Last year alone, our gas bill increased by $17,000 and cost a total of $107,406.

Our current allocation for facilities of 327,602 square feet amounts to $2.18 per square foot. Professional educational planners estimate that $4.00 is the minimum cost per square foot to operate a school program. Based on this estimate, an allocation of $1,310,408 is required to manage Santa Fe Indian School adequately. This represents an increase in funding of $595,408.

Total: $1,310,408.00

2. Improvements and Repairs Backlog and Safety Requirements

A backlog of improvements and repairs needed to support the existing school program has been submitted to the Bureau of Indian Affairs. Many of these are a result of the increased occupancy and usage of the campus. A major part of this backlog is that six buildings urgently need re-roofing. Also, the school must be upgraded in order to create a safe environment. Smoke detectors, extinguisher systems, and fire rated doors must be installed. Drilling two wells on campus would alleviate costly water bills ($50,752 in FY 1982) and provide additional fire security necessary due to low water pressure in city hydrants.

Minor Improvements/Repair Backlog	$ 70,903.00
Major Improvements/Repair Backlog	110,189.00
Roof Repairs	127,979.00
Estimated Cost to Meet Safety Requirements	14,194.00
Cost of Two (2) Wells @ $30,000 each	60,000.00
Total:	$383,265 .00

CONCLUSION

In conclusion, Mr. Chairman, this testimony reflects the following needs:

I. A Congressionally-commissioned national study of Indian education conducted by Indian leaders and a reputable institution of higher learning for the purpose of supplying Congress with sound data for future planning.

II. Funding for gifted and talented Indian students under P.L. 95-561, the Indian Basic Education Act, to allow schools to meet the needs of the brightest Indian children.

III. Financial support for basic facility needs which would include a more equitable funding formula based on square foot usage and funding to decrease the backlog of improvements and repairs and to upgrade the school facilities to meet safety standards.

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
FACILITIES ENGINEERING STAFF
FEDERAL OFFICE BLDG. & U.S. COURTHOUSE
P.O. BOX 1248
ALBUQUERQUE, NEW MEXICO 87103

IN REPLY REFER TO:

FEB 18 1983

Mr. Delfin Lovato, Chairman
All Indian Pueblo Council
1015 Indian School Road, N.W.
Albuquerque, NM 87109

Dear Mr. Lovato:

In response to your request for additional funding for the Plant Management Program at Santa Fe Indian School, I am personally aware of the disparity between what is allotted and what is actually needed to operate that program. However, until a more equitable means of funding is developed, I am unable to help you. What I can do is to identify your needs and make recommendations to the Albuquerque Area Office. My proposal would be that funding for maintenance and operation be based on cost per square foot, usage and occupancy, equitable utility rates, and type and condition of facilities.

I am also aware of the Bickle Report which requested more money to bring schools up to standard and the tremendous backlog of projects at Santa Fe Indian School to meet repair, improvement, and safety requirements. When time permits and when we hire a full time Facility Manager in the Area Office we would like to meet with you for review of the backlog for Santa Fe Indian School.

If I can be of further help in your endeavor to secure adequate funding, please let me know.

Sincerely,

Clifford Mahooty

Clifford Mahooty, Chief
Facility Management Services

Mr. **Jourdain**. Thank you. You will keep us on a mailing list, I hope.

Mr. **Woodcock**. I believe you are on our mailing list.

Mr. **Jourdain**. When the hearing is finalized, please, give us a copy.

Mr. **Woodcock**. Oh, absolutely.

Are there any other witnesses who wish to testify?

If not, we will recess the hearing subject to the call of the Chair.

[Whereupon, the hearing was recessed, subject to the call of the Chair, at 3:15 p.m.]

APPENDIX

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

MARK ANDREWS, NORTH DAKOTA, CHAIRMAN
BARRY GOLDWATER, ARIZONA — JOHN MELCHER, MONTANA
SLADE GORTON, WASHINGTON — DANIEL K. INOUYE, HAWAII
FRANK H. MURKOWSKI, ALASKA — DENNIS DE CONCINI, ARIZONA
TIMOTHY C. WOODCOCK, STAFF DIRECTOR
PETER S. TAYLOR, GENERAL COUNSEL

United States Senate
SELECT COMMITTEE ON INDIAN AFFAIRS
WASHINGTON, D.C. 20510

February 28, 1983

Honorable Ken Smith
Assistant Secretary
  for Indian Affairs
Department of the Interior
18th & C Streets, N. W.
Washington, D. C. 20240

Dear Mr. ~~Secretary~~: Ken

I appreciate your willingness to testify last week before the Senate Select Committee on Indian Affairs concerning the BIA's proposed FY 84 budget.

At those hearings, I had asked Chairman Andrews to ask you on my behalf the question concerning day schools in Alaska and the closure of the Mt. Edgecumbe boarding school. Chairman Andrews posed the hypothetical situation of all twenty BIA schools being transferred in the next year, then asked whether monies that would otherwise have been used to operate the last ten schools might be diverted to operation of Mt. Edgecumbe while the State of Alaska considers options for operating the school. Your response was unequivocally negative.

There is now a realistic possibility that the State of Alaska will use the Edgecumbe facility for some educational purpose. However, time will be needed to develop any plans. Considering the importance of the Mt. Edgecumbe school to the Alaska Native community, it might also be possible to reach agreement on the transfer of remaining day schools in one year.

With these possibilities in mind, and assuming that all twenty day schools do transfer in the next year, I would appreciate your thorough consideration of the following questions for the hearing record:

1. Could funds that would otherwise be used to operate the ten remaining day schools be diverted to operation of the Mt. Edgecumbe School pending study of a takeover by the State of Alaska?
2. What are your combined actual operating costs for the twenty remaining day schools during the current school year?

3. What are your estimated operating costs for the remaining ten day schools during the upcoming school year?
4. What are the current annual operating costs for Mt. Edgecumbe?
5. What is your estimated cost for operating Mt. Edgecumbe for an additional year (junior and senior classes only)?

The hearing record will remain open until March 11, 1983. I and the other members of the Select Committee on Indian Affairs will appreciate your careful and prompt response to these questions by that date.

Sincerely,

Frank H. Murkowski
United States Senator

Select Committee

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

MAR 8 1983

Honorable Frank H. Murkowski
United States Senate
Washington, D.C. 20510

Dear Senator Murkowski:

Thank you for your letter of February 28 concerning Mt. Edgecumbe Boarding School and the 20 day schools operated by the Bureau in Alaska.

I appreciate the opportunity to respond to each of your questions. My responses are as follows:

Question:	Could funds that would otherwise be used to operate the ten remaining day schools be diverted to operate the Mt. Edgecumbe School pending study of a takeover by the State of Alaska?
Response:	The appropriations law for the Department of the Interior (P.L. 97-394) states that no funds shall be used to continue operation of Mt. Edgecumbe beyond June 30, 1983. In view of this language, I would have to say the funds for the operation of the day schools could not be diverted for purposes of operating Mt. Edgecumbe.
Question:	What are your combined actual operating costs for the twenty remaining day schools during the current school year?
Response:	The enclosed attachment presents the operating costs for the 20 day schools and Mt. Edgecumbe for the 1982-83 school year. Currently, a total of $8,184,156 is programmed for expenditure by these 20 schools for this school year. Of this amount, $785,170 represents flow-through funds from the Department of Education for the Chapter I and Exceptional Education programs.
Question:	What are your estimated operating costs for the remaining ten day schools during the upcoming school year?
Response:	Our estimated operating costs for ten day schools for the 1983-84 school year are as follows:

BIA Education (ISEP) Funds -	$ 1,897,493
Facility Management Funds -	1,802,000
Chapter I Funds -	268,890
Exceptional Education Funds -	123,695
	$ 4,092,078

Question:	What are the current annual operating costs for Mt. Edgecumbe?
Response:	The enclosed attachment shows a total of $5,123,121 currently programmed for expenditure by Mt. Edgecumbe for the 1982-83 school year.
Question:	What is your estimated cost for operating Mt. Edgecumbe for an additional year (junior and senior classes only)?
Response:	Our estimated costs for operating Mt. Edgecumbe for an additional year for the junior and senior classes only are as follows:

BIA Education (ISEP) Funds -	$ 1,198,156
Facility Management Funds -	2,700,000
Chapter I Funds -	61,895
Exceptional Education Funds -	13,911
	$ 3,973,962

I hope that this information will be helpful to you. I must, however, point out that the Bureau is proceeding with its planning activities to implement the mandate by Congress to close Mt. Edgecumbe at the end of the 1982-83 school year.

Thank you for your continued interest in the education of Alaska Native children.

Sincerely,

/S/ Kenneth Smith

Assistant Secretary - Indian Affairs

Enclosure

ATTACHMENT

Operating Costs for 20 Alaska Day Schools and Mt. Edgecumbe for 1982-83 School Year

School	1982-83 ADM	BIA (ISEP) Education Funds	BIA Facility Management Funds	Exceptional Education Funds	Chapter I Funds	Total Funds
Akiachak	82.	$280,795	240,200	$ 12,696	$ 44030.	577,721
Akiak	19.	79,674	24,000	27,615	5088.	136,377
Chefornak	63.	217,437	155,800	8,638.	-0-	381,875
Chevak	159.	488,052	408,600	-0-	61499.	958,151
Kasigluk	36.	143,232	244,900	5,272	54994.	448,398
Kipnuk	69.	253,868	241,300	11,487	-0-	506,655
Newtok	36.	124,927	134,000	-0-	2323.	261,250
Nunapitchuk	69.	250,219	213,600	-0-	30408.	494,227
Toksook Bay	71.	228,505	140,600	20,660.	57997.	447,762
Tulusak	67.	260,344	188,800	21,150	30785.	501,079
Tuntutuliak	56.	203,222	153,400	20,700	27112.	404,434
Cruikshank (Beaver)	15.	69,509.	113,000	8,112.	7637.	198,258
Tetlin	20.	84,045	102,800	8,696	36680.	232,221
Venetie	47.	170,801	155,300	12,497	14311.	352,909
Grayling	35.	130,922	124,900	1,947.	28407.	286,176
Shageluk	20.	78,531	159,300	10,355.	16926.	265,112
Diomede	22.	91,965	138,300	47,260.	24090.	301,615
Elim	46.	159,693	199,000	5,403	22585.	386,681
Savoonga	96.	341,266	348,600	17,805	46140.	753,811
Shaktoolik	39.	137,979	117,600	7,097	26768.	289,444
Subtotal	1,067	3,794,986	3,604,000	247,390	537,780	$8,184,156
Mt. Edgecumbe	237	$1,808,684	$3,200,000	21,001	93,436	$5,123,121
Total Alaska	1,304	$5,603,670	$6,804,000	$268,391	$631,216	$13,307,277

American Indian Action Council

RESOLUTION

Number 2-83

WHEREAS: The American Indian Action Council of Great Falls, Montana is composed of fourteen (14) Native Americans and thirteen (13) non-Indian elected local government officials and agency heads; and

WHEREAS: The purpose for which the American Indian Action Council is formed is to provide a system by which the Council would seek out, initiate, and develop mechanisms to create a joint cooperative working relationship between the Indian community and the City/County/State governments, schools and other appropriate agencies in the City of Great Falls, Cascade County, Montana, in the area of Indian concerns; and

WHEREAS: The Reagan Administration has requested to the Congress of the United States through its budget process that P.L. 92-318, The Indian Education Act, Title IV be closed out for FY84, this is represented by the $1.23 million appropriations; and

WHEREAS: A reduction in the funding level of Title IV at this time would seriously impair the local effort and capacity to respond to the still unmet educational needs of the Native American children and adults in Great Falls, Montana; and

WHEREAS: The Montana Indian Teacher Training Program administered by Montana United Scholarship Service is funded by Title IV, Part B, Public Law 92-318 and the Indian Education Program in the Great Falls Public School District is funded by Title IV, Part A, Public Law 92-318; and

WHEREAS: Indian education in the local area and the nation would become practically non-existent if Title IV was phased out in FY83 and FY84; and

WHEREAS: The Title IV Indian Education programs have helped decrease Indian student dropout rates (in the local area and nation), increase the number of Indian teachers, Indian administrators, other professionals, and increase the number of youth attending college; and

Box 2532 Great Falls, Montana 59403

WHEREAS: Title IV, P.L. 92-318, provides financial support which enables Indian Tribes, Indian organizations, and schools off-reservation and on-the-reservation to develop special, unique, and relevant educational programs for Indian children; and

WHEREAS: The Title IV funds has enabled many educational institutions to hire staff, purchase instructional materials, and offer educational activities that Native Americans would otherwise be unable to receive; and

THEREFORE BE IT RESOLVED: That the American Indian Action Council opposes President Reagan's FY84 budget request for the Indian Education Act, Title IV of $1.23 million for closure of the Indian Education office; and

THEREFORE BE IT FURTHER RESOLVED: The American Indian Action Council asks for the support of the Montana Congressional Delegates, National Indian Organizations and appropriate Congressional Committees in the effort to increase the FY84 budget request from $1.23 million to $77,688,104.

ATTEST:

Sharon R. Cole
Secretary

Grace M. Fairhurst
Chairperson

CERTIFICATION

I hereby certify that the foregoing resolution was adopted by the American Indian Action Council in a duly called, noticed, and convened Regular Session assembled the 15th day of February, 1983 with 15 members present to constitute a quorum.

Sharon R. Cole
Secretary
American Indian Action Council

American Indian Action Council

RESOLUTION

Number 3-83

WHEREAS: The American Indian Action Council of Great Falls, Montana is composed of fourteen (14) Native Americans and thirteen (13) non-Indian elected local government officials and agency heads; and

WHEREAS: The purpose for which the American Indian Action Council is formed is to provide a system by which the Council would seek out, initiate, and develop mechanisms to create a joint cooperative working relationship between the Indian community and the City/County/State governments, schools and other appropriate agencies in the City of Great Falls, Cascade County, Montana, in the area of Indian concerns; and

WHEREAS: Between FY81-83 the P.L. 92-318, The Indian Education Act, Title IV has experienced a 16.8% or $13,090,104 cut in Parts A, B, and C; and

WHEREAS: Should this trend continue in the budget process, Title IV faces extinction by FY85; and

WHEREAS: The decreased funding in Title IV has created a negative impact on the education opportunities available to Native Americans residing in Great Falls, Montana, as well as Indian Reservations and other urban areas across the nation; and

WHEREAS: The Montana Indian Teacher Training Program administered by Montana United Scholarship Service and the Indian Studies Program in the Great Falls Public School District will be adversely affected; and

WHEREAS: The Montana State University Native American Graduate Fellowship Program and University of South Dakota Indian Leadership Program which assisted many Montana Indian students and others in pursuing their education will be discontinued; now

THEREFORE BE IT RESOLVED: The American Indian Action Council supports a supplemental appropriations bill in the amount of $13,090,104 for FY83 to bring the funding back up to the FY81 level of spending; now

Box 2532 Great Falls, Montana 59403

THEREFORE BE IT RESOLVED: The American Indian Action Council asks for the support of Montana Congressional Delegates, National Indian Organizations, and appropriate Congressional Committees in the efforts toward supplemental appropriation.

ATTEST:

Sharon R. Cole
Secretary

Grace M. [illegible]
Chairperson

CERTIFICATION

I hereby certify that the foregoing resolution was adopted by the American Indian Action Council in a duly called, noticed, and convened Regular Session assembled the 15 day of February, 1983 with 15 members present to constitute a quorum.

Sharon R. Cole
Secretary
American Indian Action Council

2.1677

AMERICAN INDIAN ACTION COUNCIL

BY-LAWS

ARTICLE I - NAME

The name of this organization shall be the American Indian Action Council, hereinafter referred to as the Council.

ARTICLE II - PURPOSE

The purpose for which the Council is formed is to provide a system by which the Council would seek out, initiate, and develop mechanisms to create a joint cooperative working relationship between the Indian community and the City/County/State governments, schools and other appropriate agencies in the City of Great Falls, Cascade County, Montana, in the area of Indian concerns.

ARTICLE III - MEMBERSHIP

Section 1. Number. The Council shall be composed of twenty-seven (27) members, fourteen (14) of Indian descent and thirteen (13) non-Indian, all of whom must be residents of Great Falls, and/or Cascade County (with the exception of an attorney appointed by the Indian representatives), namely:

1. One (1) representative from each of the following: Opportunities, Inc., Indian Education Center and the Montana United Scholarship Service.
2. One (1) Attorney appointed by Indian Representatives.
3. Ten (10) grass roots members of the Indian community-at-large (should include two (2) youths).
4. The City Manager.
5. One (1) American Civil Liberties Union (ACLU) Representative.
6. One (1) City Commissioner.
7. One (1) Judge.
8. One (1) County Commissioner.
9. One (1) Great Falls Public Schools Superintendent.
10. One (1) College of Great Falls Representative.
11. The Chief of Police.
12. The County Attorney.
13. County Sheriff.
14. One (1) Civil Rights Advisory Council Member.

Grace M. Fairhurst . Chairman - American Ind. Action Council
Fr. Anthony F. Gregori - Criminal Justice Studies, College of Great Falls
J. Fred Bourdeau County attorney - Great Falls
Sandra L. Hawle Native American Center . Great Falls
Conrad Himmel Area Church association, Great Falls
Jack [illegible] Police Dept. , Great Falls
H.E. Waltermire . Job Service , Great Falls.
Sharon Cole Title IV = Home School Coordinator , Great Falls
Murton McCluskey . Director Indian Educ. Great Falls
Darryl Gray MUSS Great Falls
Carl Gladue Opp. Inc. Great Falls
Karen Upham Head Start Director Great Falls, MT
Mildred Lindell MUSS Great Falls, Mt.
Edna McGillis Gt Falls Mont
Vera C. Garske Gt Falls, Mt.
Thomas Sullivan CGF
Ernest T. Pabst Christ United Methodist Church Great Falls, Mt.
Marcia Staigmiller Great Falls Centennial Comm. Gt. Falls.
Sister Kathleen
[illegible] Kaeuwischer CGF Dennis LaMere - H.S. Co-ordinator G.F.P.S.
Donna Gentry CGF Valerie Cochran - H.S. Co-ordinator [illegible]
Robert Dunbar - CGF
Paulette A. Runningwolf
Marjorie Gladue

ASSOCIATION OF AMERICAN INDIAN AND ALASKA NATIVE
SOCIAL WORKERS, INC.

410 NW 18th #101
Portland, Oregon 97209

Evelyn Lance Blanchard, President

My name is Evelyn Lance Blanchard and I am president of the Association ~~of~~ American Indian and Alaska Native Social Workers. We thank you for the opportunity to present testimony regarding funding of the Indian Child Welfare Act Title II programs. The Association requests that funding for Title II programs be increased to $15m. The programs are currently funded at a level of $9.7m. We believe that this increase is warranted in view of the need for family and children's services on and off reservations, and in view of the success made possible by the current effort to restore and rehabilitate family life in Indian communities.

In FY 80 total funding for Title II programs was $5.5m. This funding supported 165 programs with a total caseload of 224,554 clients at a cost of $24.00 per client. The average program caseload was 1,360 and the average caseload per worker for that year was 540 individual clients based on approximately 2.5 workers per program. In FY 81 total funding for Title II programs was $9.2m. This funding supported 190 programs with a total caseload of 180,945 clients at a cost of $51.00 per client. The average program caseload was 952 and the average caseload per worker for FY 82 was 476 individual clients. Although we do not have figures for FY 82, the funding level remains the same and it is estimated that the caseload data are similar.

The services provided through Title II grants cover the gamut of protective and traditional child welfare services offered by state and county agencies throughout the country. These include ongoing outreach, diagnosis and treatment, recruitment and licensing of foster care and adoptive homes. Because of the economic stress in these communities the programs provide extensive crises intervention services and, largely as a consequence of this, many programs provide alcohol counselling services, housing development services and distribution of surplus food. As an example, the social services program at Quinault provided a total of 714 surplus food services for FY 82. These supportive services serve as a hedge to the out of home placement of children and assist the staff to help maintain the family unit.

In FY 81 the Portland area maintained an average caseload per program of 217 cases with an expenditure of $775.00 per family. Comparable statistics for Sacramento and Billings areas are 368 average caseload and $184.00 average cost for services to families, and 214 cases and $280.00 per family respectively. Information from Oklahoma graphically speaks to the actual fiscal benefit to the Indian person.

ICWA appropriations to the BIA resulted in these actual figures for Oklahoma:

FUNDS REQUESTED	FUNDS AWARDED	INDIAN POPULATION	PER CAPITA
$ 842,833.00/1980	$ 499,403.00/1980	169,459	Less than $3.00
$1,568,877.00/1981	$ 918,483.00/1981	169,459 +	Less than $6.00
$2,386,749.00/1982	$1,204,235.00/1982	169,459 +	Less than $8.00

It cannot be avoided that social services programs in any community provide essential ingredients of the safety net that is necessary to meet basic and common human needs.

A comparison with expenditures for like services provided by the State of Connecticut reveals an average cost of services provided to families of $6,178.00. The costs for family focused services throughout the country range from $1,500.00 to $9,000.00 per year per family. The disparity between the resources available to the general public and to Indians is staggering. Although Indians are eligible to receive services provided to all other citizens, our experience since the passage of the Act has been that the courts and social services departments choose to absolve themselves of responsibility for services to Indians and press them on the meager resources of Indian programs.

The Association offers an outline of the problems of implementation being faced by the Title II programs.

The funding process appears to be designed to demonstrate tribal inability to provide child welfare services to Indian families.

1. The time span allowed for preparation of Title II grant proposals is not adequate.
2. Technical assistance as required by the federal regulations, is not being provided to tribes in a timely manner. Furthermore, some Bureau of Indian Affairs social workers are not knowledgeable about child welfare matters.
3. Tribes should not have to compete with one another for funds.
    a. Funding is often awarded to those tribes who have expert grants writers which many tribes lack.
    b. Technical assistance in the form of grant writing is not provided by Bureau of Indian Affairs social workers.
4. There is no standard for the selection of the Evaluation Review Committee.
    a. Reviewers are not necessarily trained or knowledgeable about child welfare matters.
    b. Reviewers are not trained to conduct objective evaluations. Reviewers have demonstrated bias against competent tribal programs by denying them continuous funding.
5. Tribes are funded only for service populations of that particular tribe. Actual service delivery includes members of other tribes, as well as non-Indians living within the service area. Tribes are also called upon to provide service to their members and members of other tribes who do not reside in the service area.

6. Tribes who cannot demonstrate effective results within one year do not receive continuous funding. As a result, they are left with no recourse except to close down operations and leave a confusion of unserved client needs.
   a. Tribes should be allowed a six to twelve month start-up period. A newly funded program needs time to set up an office, recruit and train staff, set up an in-take process, a record keeping system, and to identify community services.
   b. The funding process should be guaranteed for a three year period in order for a tribe to accurately demonstrate service delivery capability.
7. Urban Indian groups represent 50 percent of the Indian population.
   a. Urban Indian children wind up in state custody proceedings more frequently than reservation Indians.
   b. Continuous funding should also be made available to off-reservation Indian programs.
8. There is no mechanism whereby State Courts are monitored to insure compliance with PL 95-608. It is well known that many state courts do not notify tribes or parents of Indian child custody proceedings.
9. There is no mechanism to monitor the private programs or independent placements of attorneys and physicians to insure similar compliance with the law.
10. Adoption policies and procedures need to be regulated so that an affidavit is kept on record which identifies the child's heritage.
11. The monitoring instrument developed by the Clary Institute for the Bureau of Indian Affairs does not accurately reflect tribal social service program accomplishments. While the instrument measures administrative abilities, it does not address the real issues defined in the Indian Child Welfare Act. As a result, the Bureau of Indian Affairs does not have an accurate picture of tribal program accomplishments, thus weakening their advocacy stance on behalf of tribal programs.

There has not been a demostrated effort on the part of the Bureau of Indian Affairs and the Department of Health and Human Services to respond to the mandate that ways be developed to insure that the resources of both of these agencies are made available to Indian tribes and programs in their efforts to prevent the destruction of Indian family life.

A funding level of $15m will begin to more adequately meet the needs of Indian families and their children.

Thank you.

Attachments.

INDIAN CHILD WELFARE FACT SHEET

Submitted by: Ethel C. Krepps, President Oklahoma Indian Child Welfare Association
Attorney/Project Manager ICWA Program, Native American Coalition of Tulsa

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Continued adequate funding for ICWA Programs are essential because:

1. The intent of Congress was to prevent the removal of Indian children from their families. In the past 1 in 5 Indian children were removed from their families and placed in a non-Indian environment. This action robbed the Indian child of their natural Indian heritage and culture and caused problems with identity shock.

2. Indian Tribes have a unique legal relationship with the United States government which allows specific laws to be passed on behalf of Indian people and underlines the special responsibility toward Indian people.

3. In Oklahoma there are thirty-nine different tribes (39) removed to Oklahoma under treaties. There is little land base/requiring large urban populations.

4. There are according to the 1980 census 169,459 American Indians residing in Oklahoma. There are 66,143 Indian children living within the State.

5. ICWA appropriations to the BIA resulted in these actual figures for Oklahoma:

FUNDS REQUESTED	FUNDS AWARDED	INDIAN POPULATION	PER CAPITA
$ 842,833.00/1980	$ 499,403.00/1980	169,459	Less than $3.00
$1,568.877.00/1981	$ 918,483.00/1981	169,459 +	" " 6.00
$2,386,749.00/1982	$1,204,235.00/1982	169,459 +	" " 8.00

6. These figures were suppose to provide the ICWA Programs with the necessary funds to implement ICWA Programs; establish court systems; develop children's codes; provide social services such as counseling, parenting skills, foster care standards, adoption and foster care families and payment for these services,etc. in order to compete with competing in place state systems in order for Indian people to intervene and transfer Indian Child Custody cases to tribal control.

7. The Oklahoma Department of Human Services report reveal the following figures:

INDIAN CHILDREN IN DHS CUSTODY	OWN HOME	STATE NON-INDIAN FOSTER HOMES	RELATIVE HO
October 22,1979/ 774 Ind. child.	275	213	122
November 21,1981/ 852 Ind. child.	305	209	148

This is an increase in Indian children within custody of DHS after implementation of ICWA Programs in the State of Oklahoma, for the dates given.

8. The Oklahoma Indian Child Welfare Act was passed by the Oklahoma State Legislature on April 6,1982 to support the federal law as DHS and judicial courts were doing 'their own thing' and not following Congressional intent in the implementation of the ICWA. The State to its undying credit is now working with Indian people to implement the ICWA and negotiations have begun concerning Cooperative Agreements between Indian Tribes and the State DHS regarding Indian Child Custody cases.

CONGRESS NEEDS TO SUPPORT INDIAN PEOPLE IN REQUESTS FOR FUNDING ICWA DUE TO THE LEGAL RELATIONSHIP WITH INDIAN PEOPLE TO STRENGTHEN INDIAN FAMILIES AND PROGRAMS THEREBY PROMOTING THE WELFARE OF INDIAN PEOPLE AS HUMAN BEINGS TAKING CARE OF OUR OWN.

STATE OF CALIFORNIA
INDIAN CHILD WELFARE UP-DATE
1983

As many of you already know, in 1982, the Interior Department reduced the California allocation of FY 1982 funds under the Indian Child Welfare Act of 1978 (P.L. 95-608). This drastically cut back child and family service programs for the Indian population in our state.

This cut in funds inflicted a serious injustice on the Indian population of the state. In Fiscal Year 1981, California received $2.3 million of the $10 million national allocation. In Fiscal Year 1982, the total appropriation was reduced by 4% to $9.6 million and the California allocation was reduced 39.2% rather than an equitable 4% cut.

The grants under the Indian Child Welfare Act are particularly important to the Indians of California--the largest Indian population of any state in the nation. California's small tribes and Indian organizations especially need funds for child and family service programs and for prevention of the breakup of Indian families and of the placement of Indian children in non-Indian homes.

These programs are important to urban Indians as well as to rural residents because other services are not tailored to the special needs of Indians. Additionally, California Indians historically have received inequitable funding and the grants under P.L. 95-608 during the first few years was a step toward correcting this inequity.

The following is a breakdown of Indian Child Welfare Act monies allocated to serve Indian children and families in California over a 2 year period.

	Fiscal Year 1980	Fiscal Year 1981
Total Funds	$1,078,858	$2,297,949
Total Programs	18	17
Total Clients	85,606	62,524
Average Case-load per program	476	3,677
Average Case-load per worker (2.5 workers av. per program)	190	368
Average cost per client	$12.60	$36.75
Average cost per family	$63.00	$183.75

In FY 1983, the funding level is 9.7 million and the Bureau of Indian Affairs is again proposing another cut to California's Indian population from 15% to 12.7% of the national allocation. The Indian Child Welfare Act has always been funded at an inadequate level. The National Association of American Indian and Alaska Native Social Workers is recommending a funding level for FY 1984 of 15 Million.

YOUR SUPPORT IS NEEDED

Mr. Chairman and Committee members:

The Billings American Indian Council (henceforth BILAMINCO) Health Program and Outpatient Clinic, an Urban Indian Health Project funded under Public Law 94-437, Title V, Indian Health Care Improvement Act, respectfully submitts this written testimony to comment and make recommendations on the President's FY '84 Budget. Zero (0) funding is proposed for Urban Indian Health in the Indian Health Service Budget. Zero (0) funding means no health services which the Health Program and Outpatient Clinic provides to the 2,551 Indian patients in Billings, Montana. BILAMINCO recommends to this committee to support a funding level of 10 millon for Urban Indian Health for FY '84.

The Billings American Indian Council position is "its a trust responsibility by the federal government to provide health services to American Indian people regardless where they reside." The federal government must recognize its trust responsibility to off-reservation Indians, most specifically, the need for Urban Indian Health Programs that are providing health services to the Indian community in a cost effective manner. The prime example of cost effectieveness are physician visits at the BILAMINCO Outpatient Clinic. For FY '82 "the cost per visit to see the Indian Clinic physician was $8.64." The $8.64 figure is based on the comparison for a average cost per visit of $24.00 to see a private physician in Billings, Montana. There were 102 Clinics held with 3,069 doctor visits and the Indian Clinic Physician was paid $26,520.00. Provided that each of the 3,069 Indian Clinic physician visits had to be seen by a private physician in Billings, it would have been a cost of $73,656.00 as compared to the $26,520.00 paid to the Indian Clinic Physician, a total difference of $47,136.00

Since the conception fo P.L. 94-437, Title V funding, Urban Indian Health Programs have made great strides of providing, improving and making health care accessible to Indian people in Urban settings. If the Urban Indian Health projects were to be phased out it would have adverse effects on Indian patients, doctors, hospitals and emergency rooms. Many of the Bilaminco Health Program and Outpatient Clinic patients cannot afford the high cost of medical care from private doctors, hospitals, and emergency rooms. In the event these patients are seen by these private providers most Indian patients cannot afford to pay the bills and thus it creates a financial burden on everyone involved.

Prior to establishing the Bilaminco Health Program and Outpatient Clinic the majority of Indian people in need of medical care simply went without. Because of financial, administrative, prejudicial, and geographic obstacles, Indian people surviving on limited resources held little priority for health problems unless they became life threating. The monies provided by P.L. 94-437, Title V have enabled many Indian people in Billings' to obtain medical attention and practice preventive health care. The Indian people in Billings do have an interest in their health and maintaining a good health status although there are many unment health needs of Indian people, at least now they do have an opportunity to seek the medical attention they deserve through the programs developed under P.L. 94-437, Title V. So, if the Bilaminco Health Program and Outpatient Clinic closes, many Indian people in Billings' will not be exempt from the obstacles of obtaining decent health care. Five months into FY'83 patient visits without medical coverage have risen from 82.77% to 89.73%. This sudden rise in patients without medical coverage is due to unemployment, eligibility criteria changes in medicaid, medicare and Indian Health Service, also eligibility changes within other health agencies. Without the services the Bilaminco Health Program and Outpatient Clinic provides, health care will become alow priority for those Indian people who cannot afford the high cost of medical care. Due to financial circumstances most Indian people must concern themselves with basic necessities such as food, shelter and clothing. Many Indian people encounter another obstacle and that is dealing with health agencies that are insensitive to their needs and problems. Because of the problems encounted with non-Indian oriented services many Indian people have gone without medical care.

It is of the opinion of the Billings American Indian Council, there is no safety net theory and if there is one the theory is failing. Urban Indian Health organizations do not qualify for State Block Grants and Indians do not qualify for some County and local services. Example the County Welfare Department in Billings, Mt. have a special medical fund to pay doctor or hospital bills for patients that cannot pay the cost. March of 1982 the Welfare Department changed their eligibility to where Indians, mentally ill and veterans do not qualify for the "special fund" because they had other resources to go to. The Montana Urban Indian Health Programs approached the Special State Legislature to try to obtain-funding for their programs. The Montana State Legislatures' response was, it is a federal responsibility to provide health services to Indian people .

As one can see the accessibility to medical care in urban areas once again will be a hardship for Indian people, if Urban Indian Health is phased out. There are 5,000 Indian people residing in Billings', 46% of the adult population are unemployed, while the unemployment rate for Billings' averages less than 7%. Lack of education vocational skills, specific training and prejudice contribute to the high unemployment among Indian people. According to the Bilaminco Health Program and Outpatient Clinic data, the patients average monthly income is $353.93, well below the poverty level. To reinterate, without the Health Program and Outpatient Clinic the majority of patients will not receive medical care. With incomes below the poverty level it is apparent, they cannot afford to pay for health insurance, Hospital, doctor bills, and the transportation costs to a Indian Health Service facility.

Through P.L. 94-437, Title V funds the Bilaminco Health Program and Outpatient Clinic have generated other resources and developed linkages to increase health services to Indian patients. The Billings American Indian Council requests that the members of this Committee support Urban Indian Health and a funding level of 10 million for FY 84, so services can continue to be made available to Indian people residing in urban areas. Thank you for your kind consideration to the comments, requests and recommendations.

THE BLACKFEET TRIBE
OF THE BLACKFEET INDIAN RESERVATION
BROWNING, MONTANA 59417

EXECUTIVE COMMITTEE
EARL OLD PERSON, CHAIRMAN
ARCHIE ST. GODDARD, VICE-CHAIRMAN
LEE WILSON, SECRETARY
ELOUISE C. COBELL, TREASURER

TRIBAL COUNCIL
EARL OLD PERSON
ARCHIE ST. GODDARD
LEE WILSON
LANE KENNEDY
DAN BOGGS
ROBERT "SMOKEY" DOORE
JOHN MURRAY
JOE SHOW
GEORGE KICKING WOMAN

Feb 7, 1983

RECEIVED FEB 16 1983

Senator John Melcher
6313 Dirksen Bldg.
Washington, D.C. 20515

Senator Melcher,

During our recent meeting in the Dirksen building, I mentioned the conditions the Indian Health Service Hospital is facing. I am again appealing for your assistance.

Due to the current fiscal policy established by the Reagan Administration, Contract Medical Care Services have been limited to a life or death emergency basis only. At the present time, the Blackfeet Indian Health Service Unit is running at a $200,000 deficit in this line item, and is increasing approximately $50,000 a month. Staffing has been curtailed to a point that limited staff is over-worked, thus directly affecting the quality of service that is being provided to the reservation. Doctors and Nurses have become so unhappy with the present conditions that many of them are quiting and seeking employment elsewhere.

The Blackfeet Tribal Council has had and continues to have meetings with the Indian Health Service staff and doctors to help pinpoint problems and to make the staff and doctors become more accepted in the social community. This dialogue has proven to be a small success. The biggest problem the doctors have is practicing medicine by the budget.

I am looking forward to hearing from your office and any assistance you can deliver will be gratefully accepted by the 6000-plus enrolled Indians of the Blackfeet Indian Reservation.

Sincerely

John Murray

John Murray, council member
Blackfeet Tribal Council

JM/mm

THE BLACKFEET TRIBE

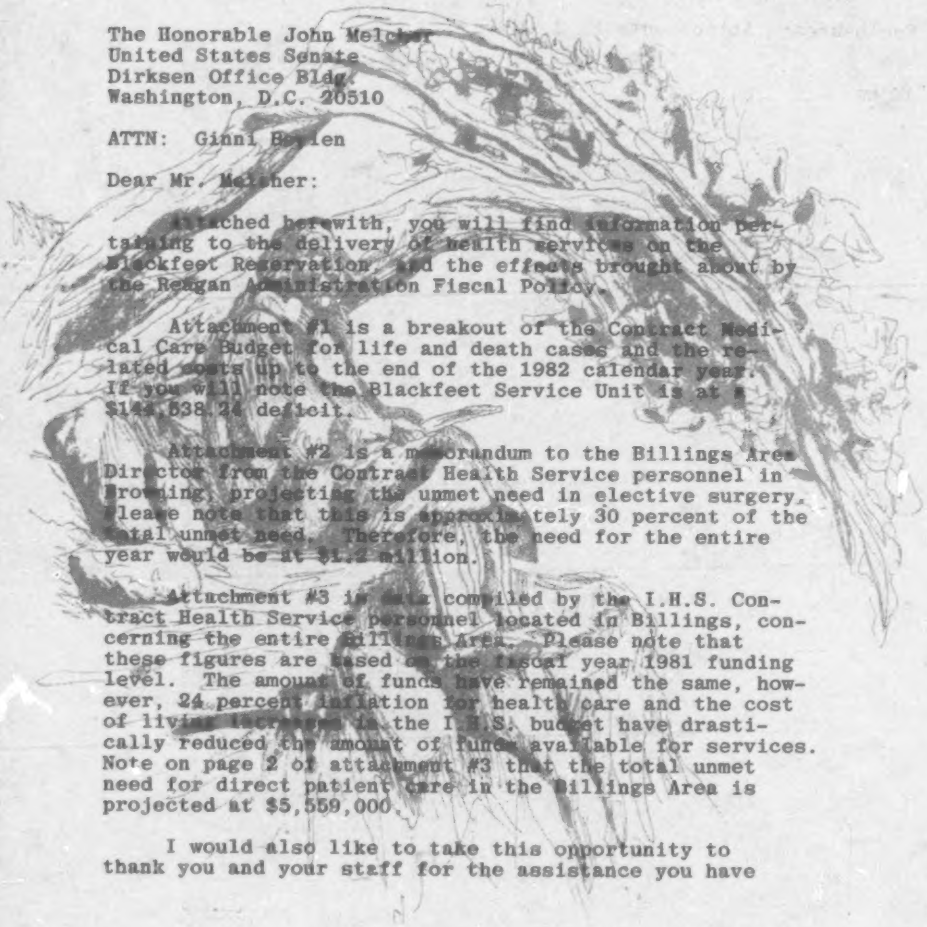
OF THE BLACKFEET INDIAN RESERVATION

BROWNING, MONTANA 59417

EXECUTIVE COMMITTEE
EARL OLD PERSON, CHAIRMAN
DANIEL L. GILHAM SR., VICE-CHAIRMAN
CHARLES CONNELLY #1, SECRETARY
ELOUISE C. COBELL, TREASURER

TRIBAL COUNCIL
EARL OLD PERSON
DANIEL L. GILHAM SR.
CHARLES CONNELLY #1
LELAND GROUND
ARCHIE ST. GODDARD
LEONARD MOUNTAIN CHIEF
GEORGE KICKING WOMAN
JERRY SHOW
PHILIP M. RATTLER JR.

February 9, 1983



The Honorable John Melcher
United States Senate
Dirksen Office Bldg.
Washington, D.C. 20510

ATTN: Ginni Boylen

Dear Mr. Melcher:

Attached herewith, you will find information pertaining to the delivery of health services on the Blackfeet Reservation, and the effects brought about by the Reagan Administration Fiscal Policy.

Attachment #1 is a breakout of the Contract Medical Care Budget for life and death cases and the related costs up to the end of the 1982 calendar year. If you will note the Blackfeet Service Unit is at a $144,538.24 deficit.

Attachment #2 is a memorandum to the Billings Area Director from the Contract Health Service personnel in Browning, projecting the unmet need in elective surgery. Please note that this is approximately 30 percent of the total unmet need. Therefore, the need for the entire year would be at $1.2 million.

Attachment #3 is data compiled by the I.H.S. Contract Health Service personnel located in Billings, concerning the entire Billings Area. Please note that these figures are based on the fiscal year 1981 funding level. The amount of funds have remained the same, however, 24 percent inflation for health care and the cost of living increases in the I.H.S. budget have drastically reduced the amount of funds available for services. Note on page 2 of attachment #3 that the total unmet need for direct patient care in the Billings Area is projected at $5,559,000.

I would also like to take this opportunity to thank you and your staff for the assistance you have generated toward the Blackfeet People. If your office is in need of any further information, feel free to contact my office or Mr. Jim Kennedy, Tribal Health Director (406)338-2531.

Sincerely,

Earl Old Person, Chairman
Blackfeet Tribal Council

Enclosures: Attachments 1, 2, & 3

JK/cw

DATE: 01-03-83

JAN 04 REC'D

FROM: CONTRACT HEALTH SERVICE

SUBJECT: For the week ending: December 30, 1982

TO: Service Unit Director — Blkft Health Board
Administrative Officer
Dental Officer
Medical Officer

		305,500.00
	increase	50,000.00
(1)	Allowance so far this year	$ 355,500.00
(2)	Less Balance on Commitment Register	$ 16.21
(3)	Actual Obligations (spend)	$ 355,483.79
(4)	Known Obligations not on C.R.	$ 144,554.45
(5)	Spent so far this year (3) + (4)	$ 500,038.24
(6)	Allowance Balance (1) minus (5)	$ <144,538.24>
(7)	Number of weeks so far this year	13
(8)	Average Expenditures per week (5) ÷ (7)	$ 38,464.48
(9)	(8) times number of weeks left 0	$ -0-
(10)	Surplus or deficient if expenditures continue at this rate (6) minus (9)	$ <144,538.24> ★

(if (6) is larger - surplus)
(if (9) is larger - deficient)

DENTAL

		4619.00
	increase	700.00
(1)	Allowance so far this year	$ 5319.00
(2)	Less Balance on Commitment Register	$ 4051.00
(3)	Actual Obligations (spend)	$ 1268.00
(4)	Known Obligations not on C.R.	$ -0-
(5)	Spent so far this year + (3) and (4)	$ 1268.00
(6)	Allowance Balance (1) minus (5)	$ 4051.00
(7)	Number of weeks so far this year	13
(8)	Average Expenditures per week (5) ÷ (7)	$ 97.53
(9)	(8) Times number of weeks left 0	$ -0-
(10)	Surplus or deficient if expenditures at this rate (6) minus (9)	$ 4051.00

★ includes Inpt. up to their anticipated stay

Attachment # 2

UNITED STATES GOVERNMENT

memorandum

DATE: 01-04-83

REPLY TO ATTN OF: Contract Health Services
Blackfeet Service Unit

SUBJECT: Unmet Needs

TO: Area Director, Indian Health Service
ATTN: Contract Health Services Specialist
THROUGH: Service Unit Director JLB

This memorandum is in reference to your memo dated December 20, 1982, regarding the request for unmet needs. This request is approximate 30% of the total unmet need. We are in the process of gathering data to systematically determine the total un-met need but will need more time.

PROCEDURE	NO.	ESTIMATED COST
EYE		
Cataract removals	17	$ 59,500.00
Jones tubes	2	6,000.00
Corneal Transplant	3	12,000.00
Eye muscle surgery	3	9,000.00
Chalazion removal	3	9,000.00
Pterygium removal	2	7,000.00
Entropion correction	4	12,000.00
Ocular prosthesis	1	1,100.00
Evaluations	45	3,375.00
Orthopedic		
Orthopedic devices	13	7,800.00
Arthrotomy	10	35,000.00
Arthrograms/poss. Arthrotomy	9	36,000.00
Repair tendon	2	8,500.00
Pin removals	2	3,000.00
Patellar realignment	1	4,000.00
Lumbosacral fusion	1	4,000.00
Bone graft	1	4,000.00
Oxostosis excision	1	3,000.00
Evaluations	75	5,625.00
Hysterectomy	2	7,000.00
Tubalplasty	1	4,000.00
Cystoscopy	6	10,000.00
Medical tests	35	14.000.00
Podiatry Exams	3	450.00
Medical consultants	350	26,250.00
Dental prosthetic services	93	55,600.00
TOTAL		$347,200.00

If 347,200.00 is 30% of Total unmet.
The Total for unmet need is approximately 1.2 million

OPTIONAL FORM NO. 10
(REV. 1-80)
GSA FPMR (41 CFR) 101-11.6
5010-114
☆ U.S. GPO: 1980-311-153/6030

Assumptions and Interpretations of Inpatient and Outpatient Needs of Contract Health Services

Inpatient

In determining the demand workload, we utilized inpatient data from the locations with IHS hospitals, where routine admissions are not restricted. In doing this, we found that utilization was 269.0 admissions per 1,000 population. The projection for inpatient services is based on the availability of hospital services at the rate of 269.0 admission per 1,000 population at all service units in the Billings Area.

	Admissions			
	Direct	Contract	Total	FY-1983 Population
Blackfeet	1,751	499	2,250	6,024
Crow	1,405	390	1,795	7,483
Northern Cheyenne	-	283	283	3,516
Fort Belknap	740	263	1,003	2,785
TOTAL	3,896	1,435	5,331	19,808

To determine hospital days needed, we used the formula of 269.0 X population divided by 1,000 X the service unit average length of stay. The 269.0 admissions per 1,000 was obtained by dividing the 5,331 admissions by 19,808 population X 1,000.

	Admission Per 1,000	Population 1,000	ALOS	Total Days	CHS Days
Blackfeet	269	6,024	3.4	5,509	1,817
Crow	269	7,483	4.4	8,856	2,922
Fort Belknap	269	2,785	3.5	2,622	865
Fort Peck	269	5,287	4.0	5,688	5,688
Flathead	269	6,034	4.1	6,654	6,654
Northern Cheyenne	269	3,516	4.4	4,161	1,373
Wind River	269	4,904	4.5	5,936	5,936
Rocky Boy's	269	2,767	4.1	3,051	3,051
Brihgam City	269	402	3.7	400	400

Hospital locations were modified to identify CHS days using 33% of all days as CHS days.

The ALOS for Fort Peck, Flathead, Wind River, Rocky Boy's, and Brigham City were obtained from the actual FY-1981 ALOS for each service unit from the IHS data Retrieval System, Report No. 3G, September 30, 1981*.

The ALOS for Blackfeet, Crow, Fort Belknap and Northern Cheyenne is based on a combination of direct and contract ALOS.

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* FY-81 data was used because of unavailability of accurate FY-1982 data at this time.

ATTACHMENT II

Calculations Used To Determine Tentative FY-1983 CHS Allocations

	Base FY-1982	Need Formula FY-83	Tentative FY-83 Allocation a/
Blackfeet	1,331	1,519	1,331
Crow	1,368	2,082	1,441
Fort Belknap	638	676	638
Fort Peck	2,062	2,989	2,062
Flathead	2,773	4,664	3,050
Northern Cheyenne	730	940	730
Wind River	2,592	3,848	2,665
Rocky Boy's	757	1,590	832
Brigham City	337	261	261
	12,588	18,569	13,010

Unmet need
$5,559,000

a/ Distribution with no decrease of FY-82 base (except for Brigham City), and no more than a 10% increase. The decrease for Brigham City represents a decrease in the student population served.

Projected FY-83 Area Allocation

TOTAL	✓ 14,665,000
✓ Blackfeet Congressional add-on	55,000 ✓
✓ Wind River Congressional add-on	240,000 ✓
✓ Flathead Congressional add-on	315,000 ✓
Dental	212,000
Area Office	100,000
Area Contingency	733,000
Service Units	13,010,000

5% To Keep Area [illegible]
for cases over $10,000

Outpatient

To arrive at the outpatient visits, we used the actual reported figures through August 1982, derived from the monthly workload report, for a FY-1983 projected total. At Flathead, we used the average number of visits at all service units (FY-1982), excluding Flathead and multiplied that by the Flathead Service Unit population (7.0 X 6,024 = 42,238). This cost per outpatient visit ($8.57) was arrived at by utilizing the total outpatient obligation figure for each service unit, excluding Flathead, in the September 30, 1982, IIIM Finance Report and the total outpatient visits, as previously determined. The cost per outpatient visit ($43.00) for Flathead was obtained from Piggyback Report 1A, dated August 31, 1982.

Blackfeet - FY-83
Contract Health Services Need

Inpatient Services:	Days Needed	1,817
	Cost Per Day	635.00*
	Total Need	1,154,000
Ambulatory Care:	Visits	42,544
	Cost Per Visit	8.57
	Total Need	365,000
	TOTAL	1,519,000

Crow - FY-83
Contract Health Services Need

Inpatient Services:	Days Needed	2,922
	Cost Per Day	611.00*
	Total Need	1,785,000
Ambulatory Care:	Visits	34,669
	Cost Per Visit	8.57
	Total Need	297,000
	TOTAL	2,082,000

Fort Belknap - FY-83
Contract Health Services Need

Inpatient Services:	Days Needed	865
	Cost Per Day	554.00*
	Total Need	479,000
Ambulatory Care:	Visits	22,947
	Cost Per Visit	8.57
	Total Need	197,000
	TOTAL	676,000

* As of 8-31-82, Full pay cc 573 total
Report 1A

CHS:GLittlelight:atp 11-1-82

Fort Peck - FY-83
Contract Health Services Need

Inpatient Services:	Days Needed	5,688
	Cost Per Day	464.00*
	Total Need	2,639,000
Ambulatory Care:	Visits	40,817
	Cost Per Visit	8.57
	Total Need	350,000
	TOTAL	2,989,000

Flathead - FY-83
Contract Health Services Need

Inpatient Services:	Days Needed	6,654
	Cost Per Day	428.00*
	Total Need	2,848,000
Ambulatory Care:	Visits	42,238
	Cost Per Visit	43.00
	Total Need	1,816,234
	TOTAL	4,664,000

Noethern Cheyenne - FY-83
Contract Health Services Need

Inpatient Services:	Days Needed	1,373
	Cost Per Day	550.00*
	Total Need	755,000
Ambulatory Care:	Visits	21,598
	Cost Per Visit	8.57
	Total Need	185,000
	TOTAL	940,000

* As of 8-31-82

CHS:GLittlelight:atp 11-1-82

Wind River - FY-83
Contract Health Services Need

Inpatient Services:	Days Needed	5,936
	Cost Per Day	587.00*
	Total Need	3,484,000
Ambulatory Care:	Visits	42,424
	Cost Per Visit	8.57
	Total Need	364,000
	TOTAL	3,848,000

Rocky Boy's - FY-83
Contract Health Services Need

Inpatient Services:	Days Needed	3,051
	Cost Per Day	483.00*
	Total Need	1,474,000
Ambulatory Care:	Visits	13,518
	Cost Per Visit	8.57
	Total Need	116,000
	TOTAL	1,590,000

Brigham City - FY-83
Contract Health Services Need

Inpatient Services:	Days Needed	400
	Cost Per Day	362.00*
	Total Need	145,000
Ambulatory Care:	Visits	13,489
	Cost Per Visit	8.57
	Total Need	116,000
	TOTAL	261,000

DATE: 02-07-83

FEB 11 REC'D

FROM: CONTRACT HEALTH SERVICE

SUBJECT: For the week ending: February 4, 1983

Service Unit Director Blkft Health Board
TO: Administrative Officer
Dental Officer
Medical Officer

489500.00
Feb. allow. 111000.00

(1)	Allowance so far this year	$ 600,500.00
(2)	Less Balance on Commitment Register	$ 63,409.00
(3)	Actual Obligations (spend)	$ 537,091.00
(4)	Known Obligations not on C.R.	$ 243,586.94
(5)	Spent so far this year (3) + (4)	$ 780,677.94
(6)	Allowance Balance (1) minus (5)	$ <180,177.94>
(7)	Number of weeks so far this year	18
(8)	Average Expenditures per week (5) ÷ (7)	$ 43,370.99
(9)	(8) times number of weeks left 3	$ 130,112.97
(10)	Surplus or deficient if expenditures continue at this rate (6) minus (9)	$ <310,290.91>

(if (6) is larger - surplus)
(if (9) is larger - deficient)

6919.00
Feb.allow. 1600.00

DENTAL

(1)	Allowance so far this year	$ 8519.00
(2)	Less Balance on Commitment Register	$ 6461.00
(3)	Actual Obligations (spend)	$ 2058.00
(4)	Known Obligations not on C.R.	$ 090
(5)	Spent so far this year + (3) and (4)	$ 2058.00
(6)	Allowance balance (1) minus (5)	$ 6461.00
(7)	Number of weeks so far this year	18
(8)	Average Expenditures per week (5) ÷ (7)	$ 114.33
(9)	(8) Times number of weeks left 3	$ 342.99
(10)	Surplus or deficient if expenditures at this rate (6) minus (9)	$ 6118.01

POSITION PAPER OF CONCERNED BLACKFEET PARENTS AND EDUCATORS ON THE PROPOSED RECISSION OF FY83 AND TERMINATION IN FY84 OF THE TITLE IV INDIAN EDUCATION ACT

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Impact Loss of Title IV Breakdown...................................B
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INTRODUCTION

On January 31, 1983, with the introduction of President Reagan's Administration FY84 budget, T.H. Bell, Secretary of Education announced the phasing out and termination of the Title IV, Indian Education Act. Secretary Bell stated, "In concert with the Administration's overall policy regarding seperate funding for Indians not on Reservations, we are proposing to terminate assistance under the Indian Education Act."

This testimony is being presented on behalf of the more than twelve thousand members of the Blackfeet Tribe of Indians from Montana. Facts have been compiled to show that the present Administration is not only phasing-out and terminating funding for Indians not on Reservations, however funding is being phased-out and terminated for all Indians living on or off the Reservation.

Further, Secretary Bell states, "in this termination of funding, does not mean that Department would cease to provide needed educational services. For 1984, we estimate that over $250 million will be available to benefit Indian students." The Blackfeet people believe that the key to this phase is "available" and is misleading. Though the funds would be available to Indian people and the Blackfeet people, these funds do not address the special, unique cultural and educational needs of Indian children and adults.

Background of Title IV

The Indian Education Act was signed into law as Title IV of Public Law 92-318, the Education Amendments of 1972. This act, which created new educational opportunities for Indian children and adults, was amended by the education amendments of 1974 and 1978.

The Indian Education Act addresses the special educational and culturally related academic needs of Indian children and adults. While significant gains are beginning to be achieved, the American Indian and Alaska Native populations continue to be most economically and educationally disadvantaged segments of our population.

It is still the case that:

-Indian students attend and complete school, and enter and complete higher education, at rates far below their majority counterparts;

-Unemployment rates for Indian adults, and poverty rates for Indian families, greatly exceed rates for the majority population, and;

-Household income is significantly lower for Indian families than for non-Indian families.

The Blackfeet programs of the Indian Education Act recognize that by improving educational status and providing opportunities the cycle of poverty and dependency is broken. The act is implemented by: a)providing supplementary educational services; b)improving the quality of services through program models, curriculum materials and teaching methods, and c)promoting self-determination by helping Indian citizens to shape and control their own educational programs.

Legal/Historic Basis of Indian Education

The American people and the Congress have long recognized the need to improve the educational status of American Indian. Virtually every treaty entered into between the Congress and the tribes contained provisions for educational services. This is re-affirmed by Secretary Bell's budget request statement, "Services to federally recognized Tribes living on or near Reservations will continue to be provided by the Bureau of Indian Affairs in recognition of the special relationship between Indian Tribes and the federal government."

In addition, a series of executive orders and congressional acts have sequentially portrayed the commitment of this country to educate its Indian population:

1775 - Continental Congress approves $500 to educate Indians at Dartmouth College;

1802 - Congress approves appropriations not to exceed $15,000 annually "to promote civilization among the savages";

1870 - Federal appropriations of $100,000 authorized to operate federal-industrial schools for Indians;

1879 - Carlisle Indian School established;

1882 - Congress provides that abandoned military posts be turned into Indian schools;

1916 - Uniform courses of study introduced into all Federal Indian schools;

1921 - Snyder Act authorizes program services to Indians through the Bureau of Indian Affairs;

1934 - Johnson O'Malley Act authorizes education, medical and agriculture assistance for Indians;

1950 - Impact Aid/Public School Construction Acts recognize responsibility of federal government to provide financial assistance to public schools educating Indian children whose parents reside on tax-exempt, federal property;

1956 - Congress expands vocational educational program for adult Indians to strengthen the relocation program of Indians;

1960 - President Dwight D. Eisenhower instructs the Secretary of Interior to accelerate efforts to provide Education for all Indian children;

1964 - Economic Opportunity Act provides new programs for Indian participation including Head Start, Upward Bound, Indian Community Action, etc.;

1968 - President Lyndon B. Johnson directs the Bureau of Indian Affairs to establish advisory school boards at all Indian schools;

1969 - Special Senate Subcommittee Report on Indian Education released, recommending increased Indian control of education, creation of an exemplary federal school system, and establishment of a National Indian Board of Education;

1970 - President Richard M. Nixon announces an era of Indian Control over decisions affecting Indians, including the field of education;

1972 - U.S. Office of Education in HEW directed funds to special needs of all Indian students in public schools with 10 or more Indian students;

1975 - The Indian Self Determination and Education Assistance Act allows tribes the right to contract for programs previously administered by the Bureau of Indian Affairs.

The chronology listed above by no means contains all of the actions relative to Indian education but rather gives an historical profile of America's efforts to educate her Indian people.

The federal government has used different approaches to Indian education including the encouragement of mission schools, federally operated schools run by BIA and through encouraging Indian involvement in public schools and in their own tribally-operated schools. Whatever approaches have been used, the federal government does have a definite responsibility toward Indian education as indicated by constitutional and legal arguments, by legislation and by advancement of the government responsibility for and commitment to Indian education.

Local Impact on Loss of Title IV Programs

The impact to the Blackfeet Indian Reservation of the loss of the five Title IV programs would cause a serious shortage in educational services, a set back in current programming, and cause a great hardship on social services on and near the Reservation. In terms of losses, the Reservation is in position to lose approximately $660,000. Moreover, this will cost the Blackfeet Reservation much more than simple dollar loss.

The loss of Title IV would affect the educational opportunities of 3,363 Blackfeet children and adults involved in educational programs on or near the Reservation. This support ranges from cultural enhancement in the elementary grades to Indian adults enrolled in post secondary schools on the Reservation. In spite of coming from a community in desperate need of trained personnel, it is clear the impact will be most severe in the area most needed by the Blackfeet, education and training.

Approximately thirty permanent jobs would be lost. This loss coupled with the earning power of salaries would seriously impact the employment rate in the community.

Although, the Blackfeet Reservation receives Johnson O'Malley program funds, the amount of funding received does not adequately meet the special and unique educational needs of the Indian children in local schools. These schools have high concentration of Indian students who come from low economic homes and in a greater need of additional sources of financial assistance.

The Johnson O'Malley program provides services that are similar, however, it does not have the flexibility of the Title IV program. Johnson O'Malley serves only children between 3 - 20. The Title IV program flexibility and versatility allows Blackfeet people and their tribal organizations to assume a greater responsibility for the direction of their own educational programs, than does Johnson O'Malley.

The structure of the Blackfeet Reservation is such that it is not self-supporting to its residents. The reservation depends on and needs federal monies to provide educational opportunities, employment, and support to tribal government.

The unemployment rate on the Blackfeet Reservation for FY82 was approximately 53%. The Bureau of Indian Affairs has anticipated an increase in unemployment for FY83. This is due to the termination of various reservation programs. This disheartening news coupled with the fact that the social welfare programs have been severly cut nation wide and anticipates a deficit budget for this fiscal year. This places a heavy demand on an overly burdened reservation program, with no let up in sight.

Recommendations

1. That the Blackfeet Tribe and its members strongly advocates the continued operation of Title IV, Indian Education Act, and that the integrity of the Title IV programs will be insured disbursement of funds sufficient to meet the educational needs of Blackfeet people from the federal level and not at the state level.

2. That the Blackfeet Tribe supports a supplemental appropriations bill in the amount of $13,090,104 for FY83 to bring funding back up to the FY81 level of spending. Further, the Blackfeet Tribe asks for the support of Montana Congressional Delegates, National Indian Organizations, and appropriate Congressional Committees in the efforts toward supplementary appropriation.

3. That the Blackfeet Tribe opposes President Reagan's FY84 budget request for the Indian Education Act, Title IV of $1.23 million for closure of the Indian Education office. That the Blackfeet Tribe asks for the support of the Montana Congressional Delegation, National Indian Organizations and appropriate Congressional Committees in the effort to increase the FY84 budget from $1.23 million to $77,688,104.

4. That, while the mission, function and scope of Title IV remain intact, this should not be used to jeopardize the existance of services provided through the Johnson O'Malley program, given that the recently completed GAO study reported no duplication of programmatic functions or services by these programs.

Conclusion

In summary, the Blackfeet Tribal Business Council opposes the phase-out and termination of the Title IV, Indian Education Act as proposed by the Administration and Department of Education. The phase-out and termination in no way reflects the intent and spirit of P.L. 96-368, the Indian Self-Determination and Education Assistance Act of 1974.

Since the inception of the Indian Education Act, the program has been successful in involving the Indian student, increasing test scores and school attendance roles, and decreasing Indian student drop outs of schools. Continuing the Indian Education Act will allow tribes and tribal organizations to direct funds where their educational needs are the greatest. This is important if the Blackfeet Tribe is to promote the ability of its people to become educated and productive citizens and to exercise leadership in the Indian communities in which they live.

EFFECTS OF TITLE IV CUTBACK
VALIER SCHOOLS

PROGRAM	CURRENT SERVICES	1982-83 BUDGET	TOTAL NUMBER EFFECTED
Valier Elementary & High School	1. Program Services: 2 types of programs.	$11,246	82
	PROGRAM:		
	Activity Bus: This program provides transporation for Native American Children for extra activities.		
	LOSS:		
	Loss of the activity bus would mean Native American Children will not be able to participate in sports & extra activities. The majority of the children live 35 miles from the Valier Public Schools & parents cannot afford transportation costs.		
	PROGRAM:		
	Indian Coordinator: One person from the Valier Public School provides expertise in managing the Title IV program.		2
	LOSS:		
	Loss of the Coordinator would mean Indian children would not receive tutor services. 2 staff persons will be unemployed.		80
TOTAL:			164

EFFECTS OF TITLE IV CUTBACKS
BLACKFEET COMMUNITY COLLEGE
TEACHER TRAINING PROGRAM

PROGRAM	CURRENT SERVICES	1982-83 BUDGET	TOTAL NUMBER EFFECTED
Teacher Training Program	1. Programs (3 types of Services and programs lost).	$200,000.00	16 students
	PROGRAM: B.A. DEGREE'S		
	B.A. Degree's - this program allows 16 Native Americans to complete their B.A. degrees in education.		
	LOSS:		
	Nine (9) Native Americans will not be able to graduate with a B.A. Degree.		
	PROGRAM: PUBLIC RELATIONS		
	Public Relations - this program produces a monthly newsletter designed for Blackfeet Community College Students.		
	LOSS:		
	There will not be a news letter produced for the students at the Blackfeet Community College.		
	PROGRAM: CLASSES		
	Classes - several classes are offered by the program.		400
	LOSS:		
	Employed Instructor.		
	PROGRAM: STAFF		
	Staff - (3 full time)		3
	LOSS:		
	3 staff people would not be employed		

TITLE IV CUTBACK T.T.P CONT.

PROGRAM	CURRENT SERVICES	1982-83 BUDGET	TOTAL NUMBER EFFECTED
	OTHER:		
	LOSS:		
	Laison Services with:		
	- School District #9		11
	- University of Montana		20
	- Community		50
TOTAL:			500

Appendix A

EFFECTS OF TITLE IV CUTBACKS
HEART BUTTE SCHOOL

PROGRAM	CURRENT SERVICES	1982-83 BUDGET	TOTAL NUMBER EFFECTED
Heart Butte School	PROGRAM (3 programs lost)	$28,026.00	
	PROGRAM: COUNSELING SERVICES		
	Counseling Services - this provides counseling for students to grades 1-8 in academics, tutor, careers, etc.		136 students
	LOSS:		
	136 students will not receive counseling services.		
	PROGRAM: CLASSES		
	Classes - this program provides classes in music and culture.		100 students
	LOSS:		
	Students would not be able to have a curriculum in music and cultural classes.		
	PROGRAM: TRAINING		
	Training - this program provides technical training to parents and advisory board members.		50
	LOSS:		
	Without these services, parents would not receive adequate training.		
	Staff - 1 full time person would be unemployed.		1
TOTAL:			287

Appendix A

EFFECTS OF TITLE IV CUTBACKS

SCHOOL DISTRICT #9

PROGRAM	CURRENT SERVICES	1982-83 BUDGET	TOTAL NUMBER EFFECTED
Browning Public Schools	PROGRAMS (3 programs lost)		
	PROGRAM: TEACHER AIDE PROGRAM	$293,642.00	1300 students
	Teacher Aide Program - this program provides assistance to teachers in the public school system		
	LOSS:		
	Teacher would not receive the back up assistance in working with students Aides would not get the training they need to become teachers.		
	PROGRAM: VOCATIONAL PROGRAM		
	Vocational Program - this program provides supplemental opportunities to grades 7 through 12.		700
	LOSS:		
	Students would not receive training in employment skills and job entry classes.		
	PROGRAM: NATIVE AMERICAN STUDIES		
	Native American Studies Program - provides a curriculum geared at adjusting contemporary Indian issues and cultural issues.		800
	LOSS:		
	A curriculum designed to meet the needs of Native Americans in grades 7 through 12 will be discontinued.		
	PROGRAM: EMPLOYEES		
	20 Employees will be unemployed		20
TOTAL:			2820

Appendix A

EFFECTS OF TITLE IV CUTBACK
BLACKFEET COMMUNITY COLLEGE
ADULT EDUCATION PROGRAM

PROGRAM	CURRENT SERVICES	1982-83 BUDGET	TOTAL NUMBER EFFECTED
Adult Education	PROGRAM (2 types of Programs lost	$95,000.00	
	PROGRAM: GED CERTIFICATES		
	GED Certificates - program provides opportunities for adults to obtain GED Certificates.		125 Adults
	LOSS:		
	No other program available to give GED classes on the Reservation. No adults will be able to obtain their GED Certificates		
	PROGRAM: STAFF		
	Staff - 4 Full-time/5 part-time		9
	LOSS:		
	Nine (9) Employees will be unemployed.		
	PROGRAM: TAPE LIBRARY PROGRAM		
	Tape Library Program - provides adult classes through tele-teaching.		225
	LOSS:		
	Adults would not be able to upgrade their skills.		
	PROGRAM: PART TIME TEACHERS		
	Part-time teacher service provides teachers in several areas of the Blackfeet Community College Curriculum.		150 College Students
	LOSS:		
TOTAL:	Classes will be discontinued and 15 teachers will be unemployed.		15
			525

Appendix B

FY 84

IMPACT TO BLACKFEET INDIAN RESERVATION ON LOSS OF TITLE IV

	Children/Adults Effected	Loss of Employees	Amount of Funding Lost
BROWNING	3100	21	$293,642
VALIER	40	1.25	11,000
HEART BUTTE	136	1	28,026
BLACKFEET COMM. COLLEGE			
TEACHER TRAINING	16	3.5	200,000
ADULT EDUCATION	68	3	95,000
TOTAL *	3363	30	$627,668

* FIGURES BASED ON FY82

Appendix C

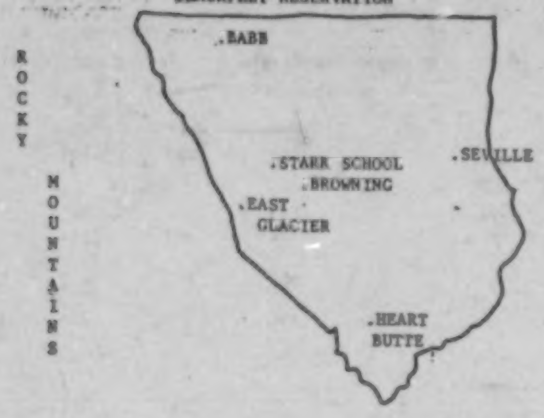
Statistical Information - Employed/Unemployed for Glacier and Pondera Counties
December 1982

	TOTAL	MALE	FEMALE
Potential Labor Force (16 years and over)	3566	1833	1733
Employed - $7,000 or more	1128	566	562
Less than $7,000	544	287	267
Total Employed	1682	853	829
Total Unemployed	1884	980	904

SOURCE: BIA - December 1982.

Appendix D

BLACKFEET RESERVATION



POPULATION....................10,000

AREA.........................950,643 Acres

COMMUNITIES......................6

HIGHWAY MILES..................2,000

UNEMPLOYMENT RATE, BLACKFEET INDIAN ..47%
(1970 Montana Data Book)
(1970 U.S. Census)

UNEMPLOYMENT RATE, MONTANA...4.5%
(1970 U.S. Census)

UNEMPLOYMENT RATE, BLACKFEET INDIAN 37%-60%
(1977 Tribal Report)

UNEMPLOYMENT RATE, MONTANA.....8%
(1977 estimate)

MEDIAN AGE, BLACKFEET INDIAN..19
(1977 Tribal Rep[illegible])

AVERAGE GRADE LEVEL COMPLETED,.8
BLACKFEET INDIAN (1973 Dept. of Commerce)

AVERAGE GRADE LEVEL COMPLETED.12
MONTANA (1970 U.S. Census)

MEAN INCOME, BLACKFEET INDIAN
FAMILIES, 5,344 (1970 U.S. Census)

MEAN INCOME, MONTANA FAMILIES
9,065 (1970 U.S. Census)

POPULATION OF BABB............193

POPULATION OF HEART BUTTE.....446

POPULATION OF STARR SCHOOL....360

POPULATION OF EAST GLACIER....535

DISTANCE FROM BROWNING TO:

BABB....................35 Miles

HEART BUTTE.............30 Miles

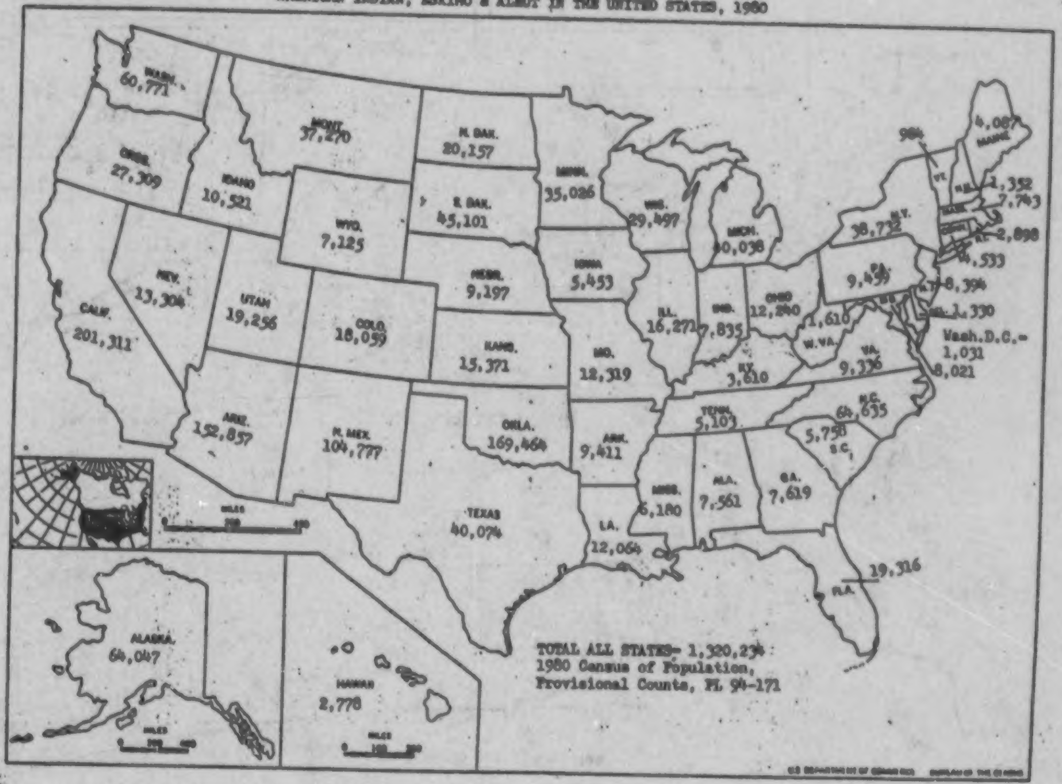
STARR SCHOOL.............7 Miles

EAST GLACIER............13 Miles

Appendix E

1980 CENSUS OF POPULATION OF NATIVE AMERICANS IN THE U.S.

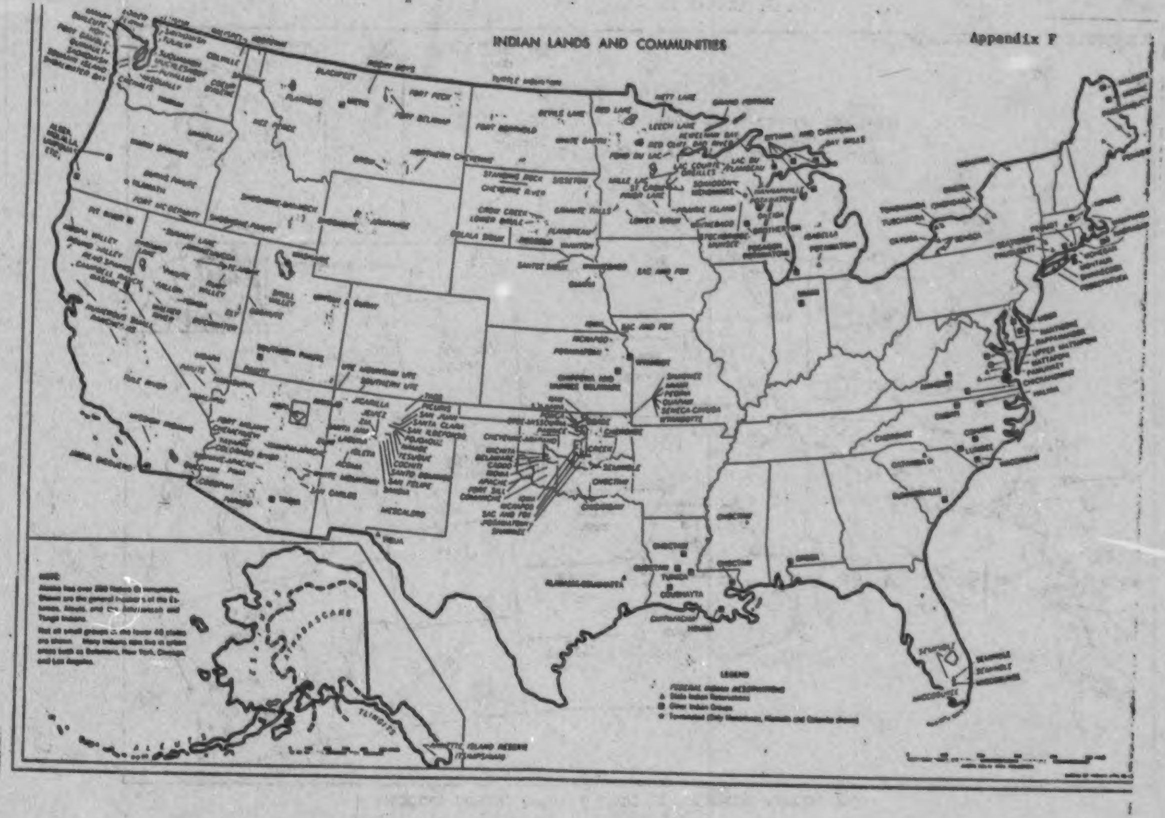
AMERICAN INDIAN, ESKIMO & ALEUT IN THE UNITED STATES, 1980


WASH. 60,771
OREG. 27,309
CALIF. 201,311
IDAHO 10,521
NEV. 13,304
MONT. 37,270
WYO. 7,125
UTAH 19,256
ARIZ. 152,857
COLO. 18,059
N. MEX. 104,777
N. DAK. 20,157
S. DAK. 45,101
NEBR. 9,197
KANS. 15,371
OKLA. 169,464
TEXAS 40,074
MINN. 35,026
IOWA 5,453
MO. 12,319
ARK. 9,411
LA. 12,064
WIS. 29,497
ILL. 16,271
MICH. 40,038
IND. 7,835
OHIO 12,240
KY. 3,610
TENN. 5,103
MISS. 6,180
ALA. 7,561
GA. 7,619
FLA. 19,316
S.C. 5,758
N.C. 64,635
VA. 9,336
W.VA. 1,610
PA. 9,459
N.Y. 38,732
VT. 984
N.H. 1,352
MAINE 4,087
7,743
R.I. 2,898
4,533
N.J. 8,394
1,330
Wash.D.C.- 1,031
8,021
ALASKA 64,047
HAWAII 2,778
MILES

TOTAL ALL STATES- 1,320,234
1980 Census of Population,
Provisional Counts, PL 94-171

INDIAN LANDS AND COMMUNITIES

Appendix F


BLACKFEET
ROCKY BOYS
FORT PECK
FORT BELKNAP
FLATHEAD
COLVILLE
NEZ PERCE
NORTHERN CHEYENNE
TURTLE MOUNTAIN
DEVILS LAKE
FORT BERTHOLD
STANDING ROCK
SISSETON
CHEYENNE RIVER
CROW CREEK
LOWER BRULE
FLANDREAU
YANKTON
SANTEE SIOUX
RED LAKE
NETT LAKE
GRAND PORTAGE
LEECH LAKE
WHITE EARTH
KEWEENAW BAY
RED CLIFF
BAD RIVER
OTTAWA AND CHIPPEWA
BAY MILLS
FOND DU LAC
LAC COURTE OREILLES
LAC DU FLAMBEAU
MILLE LAC
ST. CROIX
PRAIRIE ISLAND
LOWER SIOUX
GRANITE FALLS
SAC AND FOX
KICKAPOO
POTAWATOMI
SHAWNEE
MIAMI
PEORIA
QUAPAW
SENECA-CAYUGA
WYANDOTTE
CHEYENNE-ARAPAHO
WICHITA
DELAWARE
CADDO
KIOWA
APACHE
FORT SILL
COMANCHE
IOWA
SEMINOLE
CHOCTAW
TUNICA
COUSHATTA
TAOS
PICURIS
SAN JUAN
SANTA CLARA
SAN ILDEFONSO
TESUQUE
COCHITI
SANTO DOMINGO
SAN FELIPE
JICARILLA
JEMEZ
LAGUNA
ISLETA
ACOMA
SAN CARLOS
MESCALERO
UTE MOUNTAIN UTE
SOUTHERN UTE
SOUTHERN PAIUTE
FORT MOJAVE
CHEMEHUEVI
COLORADO RIVER
WARM SPRINGS
KLAMATH
FORT McDERMITT
HOOPA VALLEY
ROUND VALLEY
CAMPBELL RANCH
TULE RIVER
TUSCARORA
SENECA
UPPER MATTAPONI
MATTAPONI
PAMUNKEY
CHICKAHOMINY
SEMINOLE
ATHABASCANS
TLINGITS
LEGEND

Appendix G

Summarative Descriptions of Federal grants available to Indians

JOM & Title IV: -Entitlement
-Supplemental monies that address the unique and special educational needs of Indian children.

Impact Aid: -(874 funds) Used for maintenance and operation of public schools.
-Not supplemental
-In lieu of taxes
-Typically school systems that get 874, need monies for "basics" to match local, county and state taxes.

Chapter I: -Formerly Title I
-Supplemental monies for Reading, Math and counseling for all students.
-These monies excludes cultural activities.

Bilingual Education: -Provides monies for children who are language deficient
-Not all Indians are bi-lingual
-Supplemental and competitive
-Monies are disbursed on an equitable geographically distribution system.
-No obligation by Department of Education to award monies to Indians, Montana, etc.

Voc-Ed: -Monies goes to OPI for all schools in the state.
-Emphasis clause for special populations
-Funds are meager at best
-Program does not address the cultural or educational needs of Indian children, only addresses Voc-ed.

Handicapped: -Monies go to state for special populations
-Addresses only handicap categories.

Chapter 2: -Block Grants, Monies administered by state
-Most schools use monies to replace the old Title III which provided monies to libraries and media.
-Used for all students
-Meager, School District #9 received approximately $15,000. for last year.
-Does not address cultural needs.

The amounts given and philosophy used in FY84 budget are misleading. The programs to fill the void left by Title IV's demise, does not do what Title IV does.

Appendix H

THE BLACKFEET TRIBE

OF THE BLACKFEET INDIAN RESERVATION

BROWNING, MONTANA 59417

EXECUTIVE COMMITTEE

EARL OLD PERSON, CHAIRMAN
ARCHIE ST. GODDARD, VICE CHAIRMAN
LEE WILSON, SECRETARY
ELOUISE C. COBELL, TREASURER

TRIBAL COUNCIL

EARL OLD PERSON
ARCHIE ST. GODDARD
LEE WILSON
LANE KENNEDY
DAN BOGGS
ROBERT "[illegible]" BOORE
JOHN MURRAY
JOE SHOW
GEORGE [illegible] KICKING WOMAN

RESOLUTION

Number 194-83

WHEREAS: The Blackfeet Tribal Business Council is the duly constituted governing body within the exterior boundaries of the Blackfeet Indian Reservation, and

WHEREAS: The Blackfeet Tribal Business Council has been organized to represent, develop, protect, and advance the views, interests, education and resources of the people of the Blackfeet Indian Reservation, and

WHEREAS: The Reagan Administration has requested to the Congress of the United States through its budget process that P.L.92-318, The Indian Education Act, Title IV be closed out for FY84, this is represented by the $1.23 million appropriations, and

WHEREAS: A reduction in the funding level of Title IV at this time would seriously impair the Blackfeet Reservation capacity to respond to the still unmet educational needs of the Blackfeet children and adults, and

WHEREAS: The Title IV Programs can attribute to the decrease of Indian student dropout rate, the increase of number of youth attending college and the increase in the number of Indian teachers, Indian lawyers, and other Indian professionals and

WHEREAS: The Title IV Program represents educational support of Indian Tribes' goals of developing Reservation based, culturally amenable instructional programs for all population segments, pre-school to adults.

WHEREAS: The Title IV funds has enable many educational institutions to hire staff, purchase instructional materials, and offer educational activities that Native Americans would otherwise be unable to receive, and

THEREFORE BE IT RESOLVED: That the Blackfeet Tribal Business Council opposes President Reagans' FY84 budget request for the Indian Education Act, Title IV of $1.23 for closure of the Indian Education office, and

Blackfeet Resolution #194-83

THEREFORE BE IT FURTHER RESOLVED: The Blackfeet Tribal Business Council asks for the support of the Montana Congressional Delegates, National Indian Organizations and appropriate Congressional Committees in the effort to increase the FY84 budget request from $1.23 million to $77,688,104.

ATTEST:

THE BLACKFEET TRIBE OF THE
BLACKFEET INDIAN RESERVATION

Lee Wilson
Secretary

Chairman

CERTIFICATION

I hereby certify that the foregoing resolution was adopted by the Blackfeet Tribal Business Council in a duly called, noticed, and convened Regular Session assembled the 4th day of February, 1983 with Six members present to consitute a quorum.

Lee Wilson
Secretary
Blackfeet Tribal Business Council

(CORPORATE SEAL)

Appendix H

THE BLACKFEET TRIBE

OF THE BLACKFEET INDIAN RESERVATION

BROWNING, MONTANA 59417

EXECUTIVE COMMITTEE

EARL OLD PERSON, CHAIRMAN
ARCHIE ST. GODDARD, VICE-CHAIRMAN
LEE WILSON, SECRETARY
ELOUISE C. COBELL, TREASURER

TRIBAL COUNCIL

EARL OLD PERSON
ARCHIE ST. GODDARD
LEE WILSON
LANE KENNEDY
DAN BOGGS
ROBERT "SMOKEY" DOORE
JOHN MURRAY
JOE SHOW
GEORGE KICKING WOMAN

RESOLUTION

Number 195-83

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WHEREAS: The Blackfeet Tribal Business Council has been organized to represent, develop, protect, and advance the views, interests, education and resources of the people of the Blackfeet Indian Reservation, and

WHEREAS: Between FY81-83 the PL92-318, The Indian Education Act, Title IV has experienced a 16.8% or $13,090,104 cut in Parts A, B, and C, and

WHEREAS: Should this trend continue in the budget process, Title IV faces certain extinction by FY85, and

WHEREAS: The decreased funding in Title IV has created a negative impact on the education opportunities available to members of the Blackfeet Tribe residing on the Blackfeet Reservation and in urban areas, and

WHEREAS: Title IV Montana State University Native American Graduate Fellowship Program and University of South Dakota Indian Leadership Program which assisted many Blackfeet and others in pursuing their education will be discontinued, now

THEREFORE BE IT RESOLVED: The Blackfeet Tribal Business Council supports a supplemental appropriations bill in the amount of $13,090,104 for FY83 to bring the funding back up to the FY81 level of spending, now

THEREFORE BE IT FURTHER RESOLVED: The Blackfeet Tribal Business Council asks for the support of Montana Congressional Delegates, National Indian Organizations, and appropriate Congressional Committees in the efforts toward supplemental appropriation.

ATTEST:

THE BLACKFEET TRIBE OF THE BLACKFEET INDIAN RESERVATION

Lee Wilson
SECRETARY

CHAIRMAN

60-0/0

Blackfeet Resolution # 195-83

CERTIFICATION

I hereby certify that the foregoing resolution was adopted by the Blackfeet Tribal Business Council in a duly called, noticed and convened Regular Session assembled the 4th day of February, 1983 with Six (6) members present to constitute a quorum.

Secretary
Blackfeet Tribal Business Council

(CORPORATE SEAL)

PREPARED STATEMENT OF MICHAEL FIRE, PRESIDENT, CENTRAL OKLAHOMA AMERICAN INDIAN HEALTH COUNCIL, INC.

I am Mike Fire, President of the Central Oklahoma American Indian Health Council, Inc. This testimony is presented on behalf of the Board of Directors of the Council, and the patients and clients of the Oklahoma City Indian Clinic. It is with great honor, and a deep sense of concern that we present our concerns on the Administration's proposed FY 1984 budget for Urban Indian Health Centers.

The Council is a non-profit 501 (c) (3) corporation, incorporated under the laws of Oklahoma. The Council consists entirely of American Indian health professionals and concerned Indian resident of Oklahoma City. Doing business as the Oklahoma City Indian Clinic, over 40,000 patient encounters have taken place since the Clinic began operations in 1973.

The Administration's FY 1984 budget has proposed to eliminate the Urban Indian Health program all together. We would like to present to you some very important reasons why the Urban Indian Health Program should not only be retained, but should receive increased funding.

Today, approximately one-half of the American Indians in the United States live in urban or non-reservation settings. The 1980 census indicates the Indian population to be 1.4 million. This is an increase of approximately 100% over the 1970 census. The 1980 census further indicates a 56% shift from reservations to urban areas. The most recent census also indicates that the Indian population in Oklahoma is over 170,000. Approximately 20%, or some 30,000 American Indians reside in the Oklahoma City Metropolitan Area.

Although it is important to keep in mind, we do not believe it necessary to recount for you all the documentation indicating Indian people suffer the lowest level of health care of any segment of the U.S. population. These data are widely available, and we are sure this committee is already quite familiar with this documentation. Our principal concern is with the current Administration whose Indian policies are not living up to its moral and legal obligation to Indian people. It appears to many that the Administration is tampering with the Federal/Indian relationship, as stated in the declaration of policy of P.L. 94-437, The Indian Health Care Improvement Act of 1976, which proposes to "raise the level of health care of the American Indian to the highest possible level".

American Indian residents of Oklahoma City are faced with two major barriers to the reception of primary and secondary health care. The first of these barriers is a result of the fact that the Indian Health Service does not provide direct health care services to Oklahoma urban Indians in the cities of Tulsa and Oklahoma City. The nearest IHS hospitals for Oklahoma City Indian residents is located some 90 miles away.

Secondly, the inaccessibility of other health care resources prohibits urban Indians from receiving primary or other levels of health care. The existence and potential accessibility of primary, as well as secondary and tertiary health care services in the Oklahoma City Metropolitan Area is quite evident. The City has the largest concentration in the State of a variety of health care professionals, facilities and support services. However, the Oklahoma health care delivery system is based primarily on one's ability to pay for health services. Thus, the low economic status of most Oklahoma City Indian residents makes existing health care resources inaccessible. Moreover, there are no appropriate or sufficient state or county health programs that provide primary health care to low income urban Indian people.

Indian organizations in the Oklahoma City Metropolitan Area have long recognized the health care problems of urban Indians. Through their joint efforts the Oklahoma City Indian Clinic was established to provide primary health care to urban Indians, and to develop an organization fully capable of compensating for and eventually overcoming these problems.

The passage of P.L. 94-437 indicated that the Congress also recognized the plight of urban American Indians in regard to their health status, and health care needs. The Congress recognized and declared, "that it is the policy of the nation infulfillment of its special responsibilities and legal obligations to the American Indian people to meet the national goal of providing the highest possible health status to Indians and to provide existing Indian Health Service with all resources necessary to affect that policy".

The FY 1984 budget request of the Administration propses elimination of the urban Indian health program under the assumption that non-reservation Indians will be eligible for health services funded with alternative resources, such as block grants to states, and other state and local funding for health services. To date,there is no substantive evidence that states and localities are fiscally capable of assuming responsibility for urban Indian health care. Federal budget cut-backs have forced all local health departments and community health centers to scale back their operations, making them incapable of servicing the medically needy Indian patients currently served by urban Indian health clinics.

Just as other urban Indian health clinics, the Oklahoma City Indian Clinic has had to operate with severe limitations on its health care delivery capabilities. Some problems shared by most urban clinics are severely reduced prenatal care, no follow up care for the chronically ill, reduced illness preventive programs, dental care for emergencies only, and no client transportation. Patients are delaying their medical care because they cannot pay for care, or because their previous comprehensive programs are now only walk-in clinics. The staff of the Oklahoma City Indian Clinic must tolerate low pay scales, unfilled positions, no clerical or janitorial staff, inadequate nurse staffing patterns, no staff training, etc.

Nevertheless, in spite of these problems the Oklahoma City Indian Clinic has developed an impressive track record. Over the years, the Clinic has successfully accessed other health programs for Indian patients. These include family planning, care for the aged, care for adolescent substance abusers, social services, and third party reimbursement from Medicare and Medicaid. In addition, the Clinic has had financial support and volunteers from the private sector including foundations, church groups, and other agencies.

The Clinic participates in the meetings and activities of the Oklahoma City Community Council, which includes the Community Council Task Forces on Primary and Preventive health care. In addition,contact has long been established with most of the primary health care agencies in the area. This includes Oklahoma Memorial Hospital, the Shawnee Indian Health Service Clinic, and the Lawton and Ada, Oklahoma Indian Health Service hospitals.

The Clinic has also participated in meetings with the Oklahoma County Medical Society concerning such problems as the shortage of obstetricians in the Oklahoma City Metropolitan Area. The Clinic has also been in contact with the State Health Department, the City-County Health Department, the University of Oklahoma Health Sciences Center, College of Health, and the Family Medicine Clinics of the College of Medicine, for services or resources they might offer urban Indians.

The Clinic is also in constant contact with the Native American Center of Oklahoma City, who provide a wide range of social services to urban Indians, as well as with the Oklahoma City Indian CETA program, who are a source of manpower for the Clinic.

The Clinic has established written agreements with Central State University, University of Oklahoma, and Oklahoma State University to place health career students in the Clinic for training and work experience. The Clinic also sponsors periodic, (or as funding allows), training and education seminars and workshops for the health professionals of the Clinic.

Currently, the Clinic has a staff of sixteen people, including a full time family paractice physician and dentist. The Clinic provides laboratory, x-ray and pharmacy services to patients, as well as dental care with a strong emphasis on education and childhood dentistry. The Clinic offers specialty clinics in prenatal and OB-GYN care, diabetes and hypertension screening, treatment and maintenance care, podiatry and outreach services. The Clinic maintains one LPN, who devotes her full time to outreach activities. These include assisting Indian patients through instruction and advice concerning the enrollment of patients into public health insurance programs, and in the utilization of both public and private health care agencies. In FY 1982, the Clinic generated 6,000 patient care visits, and over 2,000 dental visits.

More specifically, the scope of work of the Clinic, as determined by Federal guidelines, includes the following:

1. To provide health care services to urban Indians where local health delivery resources are not available, not accessible, or not acceptable to Oklahoma City Indian residents.

2. To assist all public and private health resources in the area to provide services to Oklahoma City Indian residents.

3. Assist Oklahoma City Indian residents in becoming familiar with and utilizing such resources.

4. Provide basic health education to Oklahoma City Indian residents.

For these many reasons, and urgently needed health services, we appeal to this committee, to reject the President's budget request, and continue the Urban Indian Health Program at a minimum level of $10 million dollars.

The Chippewa Cree Tribe of the Rocky Boy's Reservation

Phone 395-4478 or 395-4727 · Rocky Boy Route · Box Elder, Montana 59521

February 18, 1983

Hon. Mark Andrews
U.S. Senate
421 Russell Office Building
Washington, D.C. 20510

Dear Mr. Andrews:

Attached is a tribal resolution and information from the Chippewa-Cree Tribe of Rocky Boy, Montana, declaring our need for continuation of health services on our reservation. Primarily, we are affected by a shortage of professional staff due to the elimination of PHS scholarships in 1981.

Another area of great concern is the cuts in contract medical services which only allows contract emergency care in life threatening and disfigurement instances. This means corrective surgery must wait until it becomes a life threatening situation.

We understand the President has once again zeroed out CHR funds which are used for the purpose of enhancing the health delivery services provided by IHS. This community based program has been the most effective means of providing health delivery at the grass roots level and any cuts will have a drastic effect on the health condition of our people.

Other drastic cuts which have immediate impact is the decrease in dental and optometry services to a point where services must be paid for by us. By reviewing the resolution, you'll be able to see why we are unable to pay for these kinds of services and the effect it will have on the health status of the Rocky Boy people.

I'm not going to refer to the Government's trust responsibility and treaty agreements, et cetera, et cetera, as I believe your stand on this has always been positive.

If any other information is needed for committee meetings or hearings, please let us know.

Sincerely,

John Windy Boy
Tribal Chairman
Chippewa-Cree Business Committee

Attachment

The Chippewa Cree Tribe of the Rocky Boy's Reservation

Phone 395-4478 or 395-4727 · Rocky Boy Route · Box Elder, Montana 59521

A RESOLUTION NO: 9-83

TO SHOW A NEED FOR CONTINUATION OF LOCAL HEALTH SERVICES ON THE ROCKY BOY INDIAN RESERVATION.

WHEREAS, THE CHIPPEWA-CREE TRIBAL BUSINESS COMMITTEE IS THE GOVERNING BODY OF THE CHIPPEWA-CREE TRIBE OF THE ROCKY BOY'S INDIAN RESERVATION, BY THE AUTHORITY OF THE CONSTITUTION AND BY-LAWS OF THE CHIPPEWA-CREE TRIBE, APPROVED ON THE 23RD DAY OF NOVEMBER, 1935, AND,

WHEREAS, the Chippewa-Cree Tribal Business Committee was notified of the President's budget in which IHS will suffer major cutbacks in funds,

WHEREAS, the effects of these cutbacks will eliminate health services to the Rocky Boy people and cause greater health problems,

WHEREAS, the need for continuation of these services at the local level is demonstrated through the number of outpatient visits (20,355 in 1982), and major health problems recorded on the IHS data retrieval system,

WHEREAS, these health problems are to a large extent due to the socio-economic status whereby the local unemployment rate is presently 72% and runs as high as 85% according to the BIA labor work force report,

NOW, THEREFORE, BE IT RESOLVED that the Chippewa-Cree Tribal Business Committee officially recognizes the need for continuation of health services at the local level for the Chippewa-Cree people,

BE IT FURTHER RESOLVED that the Chippewa-Cree Business Committee is requesting the Montana representatives in the Senate and Congress to oppose any further cutbacks which will effect our health services.

CERTIFICATION

I, THE UNDERSIGNED, AS SECRETARY OF THE BUSINESS COMMITTEE OF THE CHIPPEWA-CREE TRIBE, HEREBY CERTIFY THAT THE BUSINESS COMMITTEE IS COMPOSED OF NINE MEMBERS, OF WHOM 7 MEMBERS CONSTITUTING A QUORUM WERE PRESENT AT A MEETING, DULY AND REGULARLY CALLED, NOTICED, CONVENED AND HELD THIS 1st DAY OF February, 1983 AND THAT THE FOREGOING RESOLUTION WAS DULY ADOPTED, AT SUCH A MEETING, BY THE AFFIRMATIVE VOTE OF 6 MEMBERS FOR AND 0 MEMBERS AGAINST, AND THAT THIS RESOLUTION HAS NOT BEEN RESCINDED OR AMENDED IN ANY WAY.

CHAIRMAN

SECRETARY, BUSINESS COMMITTEE

NOTED

RECEIVED

APPROVED

FORWARDED

DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service
Health Services Administration

U.S Indian Health Center
Rocky Boy Route - Box [illegible]
Box Elder, Montana 59521

January 21, 1983

TO WHOM IT MAY CONCERN:

Per your request, I am listing some of the programs that have been adversely affected by budget cuts and lack of cost-of-living increases. Based on our FY 82 budget figures (which in reality is still FY 81 figures) our budget projections as of December 31, 1982 reflect a total deficit of $71,689.00 for FY 83.

1. Recruitment

   A. Physicians: The scholarship program ended in 1981. This program was our main source of physicians. Below, by year, I have listed the physicians obligated to the U.S. Government through the scholarship program.

      1983 - 1000 graduates
      1984 - 1100 graduates
      1985 - 1000 graduates
      1986 - 500 graduates
      1987 - 225 graduates
      1988 - 80 graduates

   The volunteer program, another source of physicians, has continued to drop as follows:

      1980 - 800 volunteers
      1981 - 750 volunteers
      1982 - 500 volunteers
      1983 - 250 volunteers
      1984 - expected to remain at the 250 level

   B. Nurses: With our salary remaining static and the present nurse shortage throughout the U.S., we are experiencing an acute shortage of nurses in Indian Health. Consideration should be given to supplement pay in order to attract R.N.'s for our program. We are currently faced with the high cost of housing and heating. Isolation is another major factor in getting and keeping these professionals.

2. Training

   Continued education of Health Professionals - with the present budget continuing education has been non-existent for the past four years. If pharmacists, nurses, lab techs, x-ray techs, medical records clerks, CHN's, and others have a requirement for continuing education in order to keep up with an ever progressing field, they have been expected to pay for their own training or do not receive the necessary training.

The lack of training has affected administrative staff as well.

J. Contract Health Services

Indian Health Service provides to its beneficiaries directly at facilities staffed and operated by the service and indirectly through contracts with local health care providers. Contract care is a residual resource, intended to supplement and complement direct IHS services. Contract care is authorized in situations where (1) no IHS direct care facilities exist, (2) the direct care element of IHS is not capable of providing required care, or (3) when a supplementation of alternate resources (e.g., medicare or private insurance) is required to provide comprehensive health care for IHS beneficiaries.

Present resources for contract health services permit primarily the provision of life or limb-saving care, leaving a large unmet need. The Billings Area Office provides guidelines on medical priorities that are estimated to be deliverable within the funds that are available through monthly allocations to each individual service unit. This medical priority policy has been in effect since December 1981-FY 82.

Federal budget cutbacks in the Indian Health Service are such that substantial services provided in the past are reduced or eliminated.

Elective admissions to the hospital or elective referrals to private specialists are not paid for by contract health services.

Some of the services provided in the past have been eliminated are elective surgeries, abortions, sterilizations, patient escort for those over eighteen years, and eyeglasses for students, senior citizens, and others.

A recent law (P.L. 97-394) is now in effect containing a provision restricting non-Indian eligibility. In the past, IHS had extended services to the non-Indian spouse and/or non-Indian dependents of an eligible Indian on the basis of IHS regulations, manual provisions, and policy statements.

The CHS program allowance for FY 83 is based on allowance received last fiscal year, which was the same amount received for FY 81; in effect we are operating in FY 83 with a FY 81 budget having absorbed two years inflation in health costs.

K. Dental Program

Budget reductions in FY 82 placed great strains on the dental program here at the Rocky Boy's Service Unit. Continued budget reductions in FY 83 and beyond will place the provision of quality direct services in jeopardy. Providing quality direct health care should be the primary goal of the Indian Health Service and targeting direct services for reduction is a gross injustice. Direct care should be the last area cut and only then as a last resort.

Our main difficulty is dealing with a 90% cutback in dental contract health service funds. This has virtually eliminated treatment for many of our patients. Dental CHS funds at this service unit have mainly been used in two areas. First, to pay the cost of treatment for children age five and younger who are in need of extensive dental treatment and have behavior management problems requiring hospitalization and treatment by a specialist. Second, to pay the laboratory costs of such treatments as complete and partial dentures, crowns, and bridges to replace missing teeth.

Due to the minimal amount of dental CHS funds now available, only those children mentioned above can be treated and sometimes they must wait months before there is enough in the dental CHS account to cover the cost of the treatment needed. This means that these children must be treated with medication, which is woefully inadequate in many cases, until enough monthly allocations are accrued to pay for the specialized treatment required. It can take 3-4 months of current CHS allotments to pay for the treatment of one child.

These massive cutbacks in dental CHS funds have eliminated laboratory services for those patients needing dentures and other prosthesis to replace missing teeth. We have instituted a program whereby patients can pay these laboratory costs themselves. Even though lab costs are substantially less than fees charged by the private dentist for the same service, they are still beyond the financial reach of many Indian patients, especially the elderly must do without the needed treatment. Going without this treatment causes further deterioriation of the patient's dental health and leads to additional problems in the future including the loss of additional teeth.

Comprehensive orthodontic treatment has been completely eliminated for the children served by the Rocky Boy's Service Unit due to dental CHS cutbacks. We all know that malaligned teeth are not just a cosmetic problem. The patient's general health is adversely affected if the teeth are improperly positioned for chewing. Left unattended, this situation can lead to serious problems in later years.

Cutbacks in the dental program supply budget are also causing problems. Limited supply funds must be used to purchase supplies necessary to correct problems already present. We cannot practice such preventive measures as providing toothbrushes to school age children because the supply funds are most urgently needed to purchase materials to alleviate toothaches and restore teeth with existing decay.

Although inflation has slowed recently, the cost of dental supplies and instruments has steadily risen. Even if our supply budget was kept at FY 81 levels, we are still losing purchasing power due to the price increases that have taken place since then. As it was, our FY 82 supply budget was reduced more than 10%. Further reductions will make it increasingly difficult to maintain a high level of quality direct care.

We have had a vacant position for a dental assistant since August 1981. This position is totally involved in direct patient care. We are currently using a Dental Community Health Representative in a dual capacity but because the demand for direct services is so great, we cannot afford the time for her to be out of the dental clinic fulfilling community health requirements. Therefore, we have been unable to provide the badly needed dental health education especially in the primary and secondary schools. Also, because an untrained person is fulfilling the duties of this position, our efficiency in providing direct services has also suffered.

The current budget for repair and maintenance of dental equipment is also inadequate. The majority of our equipment is approaching 10 years old and more. Due to the large patient load, our equipment gets much more use than its chronological age might indicate. We have had more than our share of equipment failures already in FY 83 and our repair and maintenance budget is almost exhausted. Most of our equipment is not due for replacement until the 1990's. Again, direct services are adversely affected when equipment is inoperable and there are no funds available to repair, maintain or replace them.

Continuing dental education is another area that has been eliminated and has a direct bearing on direct services. Neither of our dental assistants has attended continuing education for 3 years. The Chief, SUDP, has not attended continuing education for 2 years and has not had the OPM required supervisory training course. New techniques, materials and procedures are constantly being developed in dentistry. It is imperative that all dental staff be exposed to these new developments in order to provide the most current quality of care available.

Dental decay, not only in Indian children, but also in the adult population, is a serious problem. Periodontal disease is also prevalent in adults. Every inadequacy in the dental program budget impacts on direct patient care. If we hope to fulfill our commitment to maintain and elevate the dental health of the Indian people, we must have the funds necessary. Otherwise, all we can do is helplessly stand by and watch the dental health of the Indian population steadily deterioriate. Limiting our direct patient care to a low level by budget cutbacks only postpones the inevitable breakdown of dental health and in many cases contributes to it. This is not the complete, quality treatment we are capable of and should be willing to provide.

5. Services

Because of the inadequate budget, several of our departments here at the clinic had to cut back in services.

A. The laboratory-radiology department had to discontinue twenty-three routine tests.

B. The optometry department was forced to quit purchasing eyeglasses through the contract health care funds for children in school and elderly patients. Older patients have very little money and most families have several students in school who may need eyeglasses and can't afford to pay for them.

C. The pharmacy department had to discontinue purchase high volume OTC products and occasionally would run out of needed drugs--a situation which should never occur in direct patient care.

6. Supplies and Equipment

The clinic as a whole suffered the lack of supplies and funds for the replacement of equipment. Because of the high usage of our equipment, we need funds for replacement and the purchase of needed new equipment.

In summary, we have cut alot of services and supplies but these cuts have not absorbed the increased costs associated with the added use of medical supplies brought about by the outpatient treatment program and the decrease in contract medical care funds.

Sincerely,

A. H. Gilham

A. H. Gilham
Service Unit Director

COHARIE INTRATRIBAL COUNCIL
ROUTE 3 BOX 340E
CLINTON NC 28328

Western Union Mailgram

4-0347708053 02/24/83 ICS IPMMTZZ CSP WSHB
9195928119 MGM TDMT CLINTON NC 86 02-24 0300P EST

1983 FEB 28 PM 2:45

REPRESENTATIVE MARK ANDREWS
HOUSE OF REPRESENTATIVES
WASHINGTON DC 20515

DEAR MR ANDREWS,

THE COHARIE TRIBE OF NORTH CAROLINA NEEDS YOUR SUPPORT TO OPPOSE THE TRANSFER OF THE ADMINISTRATION OF NATIVE AMERICANS TO THE BUREAU OF INDIAN AFFAIRS. WE ARE CONCERNED THAT THIS TRANSFER TO AN AGENCY THAT HAS THE MAJOR RESPONSIBILITY OF SERVING FEDERALLY RECOGNIZED TRIBES WILL EVENTUALLY LEAD TO A REDUCTION OR ELIMINATE SUPPORT TO NON-FEDERALLY RECOGNIZED GROUPS SUCH AS OURS. A POSITIVE CONSIDERATION OF THIS REQUEST WILL BE APPRECIATED.

TOM CARTER CHIEF COHARIE TRIBE

15:20 EST

MGMCOMP

TO REPLY BY MAILGRAM MESSAGE, SEE REVERSE SIDE FOR WESTERN UNION'S TOLL - FREE PHONE NUMBERS

PREPARED STATEMENT OF THE CONFEDERATED TRIBES AND BANDS, YAKIMA INDIAN NATION, SUBMITTED BY JOHNSON MENINICK, CHAIRMAN

Mr. Chairman, Honored Members of Congress and Guests:

The Yakima Indian Nation, a land based, treaty tribe, is located in south central state of Washington, comprising of approximately 1.3 million acres, with a Tribal enrollment of 7014 members. We appreciate the opportunity to appear before you with our concerns. Basically, we want to address the Indian Health Service budget and the Bureau of Indian Affairs budget, as they pertain to the Yakima Indian Reservation.

INDIAN HEALTH SERVICE

The Indian Health Service represents a vital service to our Indian people. We, as Tribal leaders, are alarmed, because, of some recent activities, and some projected activities contained within the President's budget.

1. During the past year, direct services provided by the Indian Health Service within the Yakima Service Unit were reduced as a result of hiring freezes and budget restrictions within the Portland Area Indian Health Service. Key positions, including a nursing, environmental health, and medical records positions, which became vacant as a result of retirement and resignation have not been filled. In addition, hiring restrictions imposed on the Area Office operation have resulted in assignment of Area responsibilities to Yakima Service Unit personnel in the nursing and environmental health programs, further reducing services available to Indian People served. Reductions in the direct program base as proposed by the Administration can only result in eliminating direct clinical care positions; there are no other sources of funds available at the Yakima Service Unit level. Therefore it will not be possible to maintain the same (reduced) level of health services in F.Y. 1984 as projected in F.Y. 1983

2. Elimination of the Community Health Representative (C.H.R.) program of the Yakima Nation will not only reduce present services but in fact will eliminate key clinical and preventive health services. The Yakima C.H.R. program supported by other Tribal resources in many instances provides services that should but are not provided by the Indian Health Service. These include home health nursing care which has helped in reducing hospital stays; pre-natal and post-partum care that has accounted for reduction in infant and maternal mortality; health maintenance and preventive health care for children that has seen the immunization rate maintained above 90% for the past two years. The C.H.R. program has assumed a major role in identifying and obtaining alternate resources for health care resulting in a 37% alternate resource utilization in the Contract Health Service program. Therefore, elimination of the C.H.R. program on the Yakima Reservation will eliminate critical health care components that cannot be maintained through the Indian Health Service or any other source.

3. The Yakima Nation is particularly concerned about the Administrations proposed increased use of Medicare/Medicaid and third-party collections; not only in the increased budget dependence upon the reimbursements for key programs, but requiring collection of private insurance. The latter directly affects the Yakima Nation and its self-insured Tribal employees health insurance program. A major reason for the establishment of health insurance program was to supplement limited I.H.S. direct and contract health service programs. Under the Administration's

proposal, the Yakima Nation, as an insurance agent, will be directly subsidizing the Indian Health Service; this certainly would be a dis-incentive to continue the Tribal health insurance program. Actually, any eligible Indian person with private health insurance will ultimately be "paying" for Indian Health Services. The Yakima Nation also questions the ability of the Indian Health Service to more than triple reimbursements while reducing staff available at the Clinic to process collections. It appears however, that failure to realize projected reimbursements will only further reduce services to Indian people since a large amount of the reimbursement is included as part of the base budget.

4. The impact of eliminating the PL-86-121, Sanitation Facilities Construction Program on the Yakima Reservation would be disastrous in terms of the continued elevation of the health of the Yakima people. The health improvement of the Indian people over the last two decades has been substantially due to the reduction of the enteric, and other water and sewage related, diseases. While great strides have been made, the general level of health of the Indian people remains well below that of the population as a whole. In terms of the numerical need on the Yakima Reservation, there are some forty (40) substandard dwellings requiring full replacement, including water and sewage disposal facilities! There are also some thirty (30) dwellings in need of more minor physical rehabilitation but requiring full replacement of the water and sewage disposal facilities. Additionally, it is estimated that some one hundred and ten (110) requests will be on the FY-84 Facilities Construction Participant list. This list contains those Indians who are seeking funding via the Tribal loan mechanism, or other funding sources. The additional cost of approximately $6,000.00 per home serves to eliminate many from qualifying, primarily due to the low annual income of reservation residents. At the current levels of funding of construction, under PL-86-121, there will be approximately a three year backlog based on the Facilities Construction list alone. It is very apparent, based on these figures, that if the march toward an improved health standard for the Indian people is to be continued, the basic program of constructing water and sewage disposal facilities must continue.

5. In previous years testimony, I have identified and documented the need for a replacement ambulatory care facility on the Yakima Reservation. The need for a replacement facility has been identified as a high priority (number 6). The present facility cannot meet basic facility standards of the Joint Commission of Accreditation (J.C.A.H.), College of American Pathologists, and fire and safety codes. These deficiencies cannot be corrected through use of reimbursement funds from Medicaid collections. Recognizing the need for a new facility, the Yakima Nation has completed the planning document following I.H.S. guidelines for new facility construction. However, reduction of Indian Health Facility construction this year and elimination of all new construction in FY-84 disrupts the orderly planning process established by I.H.S. and delays the provision of quality and safe health services at the Yakima Service Unit.

6. In concluding our concerns and requests on the Indian Health Service, we have three additional requests; (1) We request your support on reauthorization of PL-94-437, The Indian Health Care Improvement Act, (2) We request that your committee or the appropriate committee that has jurisdiction, to conduct thorough oversight hearings on eligibility for direct care services and contract care services within the Indian Health Service; (3) and we support the concept of transforming the position of Director, Indian Health Service, to Assistant Secretary level within the Department of Health, Human Services.

BUREAU OF INDIAN AFFAIRS

As you know, the Bureau's commitment to the Yakima Indian Nation and other tribes is emphasizing greater and improved tribal self-determination with a greater role in allocating financial resources and flexibility in meeting our needs on the Yakima Reservation.

In most regards, we do agree with this general statement and support the Bureau of Indian Affairs. However, we do have some concerns that we feel should be brought to your attention in the proposed F.Y. 1984 budget as it relates to the Bureau's mission founded on trust responsibility and the special relationship between the U. S. Government and the Indian tribes.

Upon reviewing the F.Y. 1984 tentative budget the Yakima Agency is scheduled to take a reduction of 32 full-time positions or FTE's. We feel that the current process of counseling or "process of consultation" does not warrant enought time for the Yakima Indian Nation or other tribes to understand the process and have good sound tribal input to make decisions on where the cuts or proposed cuts will take place. We would like to be able to coordinate and have a say in the decision making before the budget and proposed reduction is made at the Portland Area Office.

We understand the Bureau is now in the process of working on the F.Y. 1985 budget and must have the budget Agency package back to Portland Area Office the first week in April and we have not even seen the documents. This is our concern in the "consultation" process. We need to be in a better position to protect our interests to the Indian community, improve staff capability and funding at the local level.

Because of the recession and serious impact on our reservation, we have had a tremendous reduction in tribal income in F.Y. 1983 and the anticipated income in F.Y. 1984 will be reduced another 50% thereby increasing our dependency on Bureau involvement in carrying out their trust responsibility.

In the proposed F.Y. 1984 Agency budget the Credit Department position and funds identified in prior years has been eliminated. We feel that the action recommended by the Agency budget does not reflect what the Tribe input was at the Agency level. We would like to be able to add this position back in the Agency budget along with the funds to operate and maintain this viable program.

Another concern of the Yakima Indian Nation is the Branch of Forestry for the Yakima Agency. In the F.Y. 1983 Agency budget at the current level of 100% funding level, there is identified a reduction of 22 full-time positions which we feel will have a serious impact on our Indian forest in the area of trust responsibility and fire protection. With this reduction, we feel the Bureau will not be in a position of providing the government's trust responsibility for prudent management of our forest area. I understand that the Bureau in F.Y. 1983 has received a reduction of funds in the Forestry Unbanded program and the Yakima Agency proposed share in the reduction is $163,900 which will mean a cut back on the timber sales program and a reduction of management planning efforts which we can ill afford at the Agency level. We have no input in these type of reductions and feel the system is unfair to the Indian tribes especially as it relates to our forest lands and the Government's trust responsibility.

Does this current Administration policy of "Indian Self-Determination" mean Indian self-termination by contracting more and more programs to the Tribes thereby reducing Bureau staff and reduction of budget mean we are slowly turning the noose on our necks? We look at the future and we feel that if we are not in a position to strengthen our Tribal Government now and have input and meaningful input in this budget planning cycle, we will become the loser in the long run.

We still have other concerns that we would like to be specific on and that is in the area of Education and the Branch of Roads. In Fiscal Year 1982 we had three positions at the Agency in the Branch of Education. In F.Y. 1983, we contracted all of the Education Programs and the Agency Educational program staff was eliminated, either by transferring, retiring or by reduction in force. We still need technical assistance at the Agency and do not have any educational staff to provide this technical assistance at the Agency level. We would like to use the Inter-governmental Personnel Act process to obtain a Bureau employee to provide this technical assistance until we are in a position to fully conform to all the rules and guidelines set forth by P.L. 93-638.

In the proposed F.Y. 1984 Agency budget, the Yakima Agency Roads Department is scheduled to take a reduction from 18 positions to 11, a result of a loss of 7 positions which will have an impact in the Agency work plan of maintaining the Reservation roads in the area of cut back mowing, brush removal, gravel replacement and so on. Not only will the reduction of positions but less funds will mean we cannot purchase any equipment that is needed to maintain our roads on the reservation.

The last concern expressed in this testimony is the fate of the Yakima Indian Nation Fishery Management Program, a program designed for protection and enhancement of on reservation fisheries. This program has never been properly included in Bureau of Indian Affairs banded funds. We are of the opinion that this is a result of a continuing budget oversight by the Bureau and should be treated as such and rectified for F.Y. 1983 and succeeding years. In F.Y. 1982 the program was funded through discretionary funds of the BIA. F.Y. 1983 funds for a continuation of this program have been virtually eliminated, resulting in a shutdown of this program designed to protect our most fundamental treaty secured fishing rights in the Yakima and Klickitat River Basins. (Both of these fisheries occurring within or closely contiguous to reservation boundaries.) Inclusion of banded funding for F.Y. 1984 and succeeding years is necessary to continue this program. The funds required here should be included within the trust responsibility - rights protection portion of the Bureau budget.

In summary we desire to have more input in a timely manner on many important issues that effect the tribe and the trust responsibility of the U. S. Government, namely the Bureau of Indian Affairs. We cannot under emphasize the Agency request for at least 100% funding, and a return of all of the full-time positions we had in F.Y. 1983, which was 138. We also urge the inclusion of the Yakima Indian Agency Fisheries Program in the F.Y. 1984 and continuing in successive years as a banded program.

THE CONFEDERATED TRIBES OF THE WARM SPRINGS RESERVATION OF OREGON

MATERIALS ON 1984 FEDERAL BUDGET PROPOSALS FOR INDIAN EDUCATION

Prepared By:

Standing Committee on Education Issues

Warren "Rudy" Clements, Chairman
Charles Calica
Mike Clements
Zane Jackson
Sal Sahme
Nelson Wallulatum

February 1983

TESTIMONY ON 1984 BUDGET FOR INDIAN EDUCATION

I am Warren "Rudy" Clements, chairman of the Standing Committee on Education Issues of the Confederated Tribes of the Warm Springs Reservation of Oregon. With me today are Nelson Wallulatum, Chief of the Wasco Tribe and a member of the Tribal Council, and Harold Culpus, also a member of the Tribal Council.

We are here today for principles. And we are here for the federal monies which are necessary to make these principles remain meaningful. We have furnished the committee with copies of our positions on a number of Indian education concerns that vitally affect our people and our Tribes as a self-governing tribal community. With the understanding that our positions on these principles and the appropriations required to carry them out will be part of the committee's official record, I will be brief.

Indian education is a trust responsibility which the federal government must maintain. For the Confederated Tribes of the Warm Springs Reservation, this pledge was confirmed in our 1855 treaty. We have respected the commitments our tribal ancestors agreed to.

We expect no less-and no more--from the United States today. But we fear that the President's 1984 budget requests signal a drastic shift in the federal government's pledge to uphold its trust responsibilities to us. The President seeks to reduce federal spending for "social contracts" and "other entitlement spending" which are claimed to have created a "structural imbalance" in the federal budget. But such general objectives ignore federal responsibilities in Indian affairs.

In recent weeks, Indian tribes and their members have been beseiged by words. Just days before the President released his long-awaited Indian policy, Secretary of the Interior James Watt remarked:

> [T]he [Indian] people have been trained through 100 years of government oppression to look to the government as the creator, as the provider, as the supplier, and they've not been trained to use the initiative to integrate into the American system.
>
> . . . We ought to give them freedom, we ought to give them liberty, we ought to give them their rights, but we treat them as incompetent wards.

Five days later, President Reagan formally declared:

> Our policy is to reaffirm dealing with Indian tribes on a government-to-government basis and to pursue the policy of self-government for Indian tribes without threatening termination.

The next day, Secretary Watt appeared before a general session of the National Congress of American Indians. He apologized for his earlier words, and he pledged his support of the President's policy declaration. At NCAI, Secretary Watt said:

> We've focused on education: I think the root problem. . . . If we have compassion, if we have a heart for Indian people, we've got to bring about change. We've got to bring about better education. When I look at the unemployment and the other social problems, we've got to address those problems.

Obviously, the policies and sentiments of the Reagan administration on Indian affairs have taken some sharp turns in the last month. And in Indian education, we may be making some progress.

In his televised remarks, Secretary Watt referred to education only once. He said: "We have terrible schools on the Indian reservations and we've tried to change that." In his Indian policy, President Reagan mentioned the word "education" twice in passing. But in his NCAI speech, Secretary Watt referred to education at least eight times, and he focused much of his attention to this area. He even said: "To me, the most important issue is education."

For those of us concerned with Indian education, this is a quantum leap forward. I would like to capitalize on this opportunity. If, as Secretary Watt asserted, education is the root problem, what solutions does the President's budget request for 1984 put forth? Frankly, none. How well does the budget translate the Administration's rhetoric into action? It doesn't. Let me briefly suggest how these deficiencies can be remedied.

First, Indian education is a trust responsibility which the federal government has pledged itself to support for our Confederated Tribes. The United States must remain committed in policy and practice to this principle.

Second, the Congress should maintain full appropriations for Impact Aid funds which serve Indian students. These funds are critical to the survival of many school districts on or near Indian reservations. Impact Aid funds are paid in lieu of local taxes for education. Because our reservation is exempt from taxation, these funds must remain available to the schools which educate Indian students.

In Title XI of the Education Amendments Act of 1978 (P. L. 95-561), Congress strived to strengthen the education services provided Indian students. You increased the funding available to meet the unique education needs of Indian students. You mandated standards for Indian education. In addition, you authorized greater tribal participation in the direction and management of Indian basic education programs. But all of these initiatives are falling short. Congress should immediately schedule hearings to determine why no standards yet exist and to further strengthen tribal involvement in planning education services for Indian students.

Third, Congress should provide full appropriations for all elements of Title IV of the Indian Education Act. The President's 1984 budget feebly argues that the objectives which these programs were designed to accomplish have been met. It suggests that because Indian parents are more involved now in public school affairs than they were 10 years ago, Title IV programs can be eliminated. This is poppycock contrived to mask the administration's budget-reduction objectives.

Title IV of the Indian Education Act provides important support to a number of Indian education programs both on and off reservations, in public and tribal school systems, and in higher education. The original intent of Congress in adopting the Indian Education Act was not to assimilate Indian students or Indian parents into public schools, but to provide education assistance for the unique cultural and academic needs of Indian students. We have made progress in this direction, but despite the administration's suggestion, we have not accomplished all that needs to be done. It is highly ironic that simultaneously with its attempts to shift Indian education onto the states, the Reagan budget proposes to eliminate one of the principal vehicles that states can use to meet the specific needs of Indian students.

Fourth, the Bureau of Indian Affairs has consistently failed to obtain funds to allow it to match Department of Education vocational education set-asides for Indian programs. The Congress should either appropriate additional funds to the BIA for these purposes, or it should increase the Indian set-aside in the Vocational Education Act to two percent for administration by the Department of Education. Such action is necessary to match the Reagan Indian policy's challenge that Indian tribes assume greater control of their own governmental and business affairs.

Fifth, the President's 1984 budget continues the administration's efforts to close BIA boarding schools. Last year, both the courts and the Congress put these closures on hold, in part because the BIA had failed to plan adequately for the education of students displaced by such closures, and in part because the BIA had failed to consult adequately with interested Indian tribes and communities. These problems persist in the plans developed so far for 1984. Despite the BIA's hollow promise that it will consult with indian tribes on these matter, there is little hope that it will be swayed away from its desired outcome regardless of tribal and community concerns. Some mechanism needs to be developed so that Indian education issues can be resolved between the BIA and affected Indian communities.

BIA boarding schools represent a necessary resource for many Indian tribes and their students. They are important both because local school facilities are often not available and becuase public schools are often not capable of giving Indian students the education services they are entitled to receive. Just as importantly, boarding schools have the potential to provide model education programs for Indian students. Although this potential has been seldom realized, the boarding schools should be directed toward such objectives, rather than being crippled by inadequate funding and substandard programs.

If justification exists for closing boarding schools, whether because of financial or program reasons, these matters should be explained fully to the affected Indian tribes, their students, and their families before the decisions are made, not after. To assist in this process, the Congress should continue its support of the efofrts by Indian tribes and communities to assure that the boarding schools remain viable Indian education resources.

What we, as Indian parents and tribal governments, lack now is federal support, both in policy and in appropriations, for a comprehensive education plan with which we can chart the education services our students should receive. There is no cohesive policy coming from the Reagan administration, which instead appears hell-beng on saving money regardless of the long-term consequences.

There is now neither leadership nor advocacy for Indian education in either the Bureau of Indian Affairs or the Department of Education. In both agencies, vacancies exist in critical management positions. Within the Department of Education, the National Advisory Council on Indian Education (NACIE) has been badly crippled, perhaps permanently disabled. Within the Bureau of Indian Affairs, no similar vehicle even exists. Overall, the delivery of necessary education services is hindered by a lack of planning, by a lack of expertise, and often by a lack of interest.

Despite its rhetoric, the Reagan administration offers little hope that the needs of Indian students for quality education will receive serious attention. It has decided that education is not properly a federal responsibility and that, therefore, Indian education must not be one either. It has decided that the states should shoulder the responsibility for education, including Indian educaiton. It has set its course, and it intends to pursue it--deaf to the concerns, dumb to the implications, and blind to the consequences.

Can we exist with the level of financial and technical support the Reagan budget offers. Of course, we may have to. Can we excel under these constraints? Of course not.

Our Indian studetns, tribes, and communities deserve more than minimally adequate education opportunities. We ask your support for sufficient federal appropriations and for continued Congressional leadership to enable us to reach beyond the narrow horizons permitted under the President's 1984 budget proposals.

THE CONFEDERATED TRIBES OF THE WARM SPRINGS RESERVATION OF OREGON

STANDING COMMITTEE ON EDUCATION ISSUES

INDIAN EDUCATION PROGRAM AND APPROPRIATIONS CONCERNS FEDERAL BUDGET FOR FY 1984

ISSUES	RECOMMENDATIONS
* No coordination exists between the Bureau of Indian Affairs and the Department of Education in the planning and delivery of Indian education services.	* Congress should direct the Secretaries of Interior and Education to coordinate their programs in Indian education, as required by P. L. 95-561.
	* Congress should appropriate sufficient funds to the Bureau of Indian Affairs to allow it to provide matching funds for vocational education programs.
	* The Departments of Interior and Education should develop inter-departmental agreements concerning the coordination of Indian education programs with Indian tribes and education agencies.
	* The Congress should take immediate steps to assure that Presidential appointments to the National Advisory Council on Indian Education represent a diversity of Indian educators and tribal officials and that NACIE can function as an advocate within the Department of Education for Indian education programs.
	* Congress should direct the Secretaries of Interior and Education to appoint directors of the Indian education programs under their agencies.

ISSUES	RECOMMENDATIONS
* The usefulness of Impact Aid funds to serve the education needs of Indian students in the public schools is being undermined by state equalization schemes.	* Congress should exempt Impact Aid funds, or at least a portion thereof, from inclusion by states in their equalization formulas in order to assure that these funds are available to meet the special needs of Indian students and that they do not merely replace state education funds which would otherwise be provided.
* The usefulness of Impact Aid funds to serve the education needs of Indian students in the public schools is being undermined by the failure to promulgate administrative rules which would implement P. L. 95-561.	* Congress should mandate that the Bureau of Indian Affairs and the Department of Education take immediate steps to implement P. L. 95-561.
* The remedies for tribal relief under P. L. 95-561 unnecessarily impede any realistic solutions to education services which fail to meet the needs of Indian students.	* Congress should consider amendments to P. L. 95-561 which would enable tribes to receive Impact Aid funds when such funds are removed from a local education agency because of its failure to meet the needs of Indian students.
* The President's 1984 Budget proposes a rescission of the appropriations for Title IV programs under the Indian Education Act.	* Congress should refuse to approve the rescission of Title IV appropriations because the President's request violates the Impoundment Control Act of 1974.
* The President's 1984 Budget proposes elimination of funding for Title IV of the Indian Education Act because the purposes of the legislation allegedly have been fulfilled.	* Congress should provide full appropriations for Title IV of the Indian Education Act for 1984 because these programs are critical for meeting the education needs of Indian students throughout the United States.
* The Bureau of Indian Affairs narrowly construes its responsibility for Indian education to those operations which it directly operates or for which it contracts.	* Congress should investigate whether the narrow interpretation used by the BIA in construing its responsibilities for Indian education comports with congressional intent in P. L. 95-561, P. L. 93-638, and other legislative initiatives concerning Indian education.

ISSUES	RECOMMENDATIONS
	* Congress should permit sufficient flexibility within the Indian School Equalization Formula (ISEF) to permit the BIA to continue to offer general education assistance for Indian tribes which do not have BIA or tribally-contracted schools.
* The President's 1984 Budget proposes to fund school board training at $25,000, in order to furnish only training manuals for such purposes.	* If Indian tribes and communities are to assume increased responsibility for the education services their students receive, they should not be expected to do so without basic support for training purposes.
* The President's 1984 Budget proposes a decrease in funds available to the BIA for education technical support.	* Congress should investigate whether the Administration's request for education technical support is adequate to meet the needs of Indian tribes and education agencies for such support, or whether it represents an unnecessary expenditure of funds for administrative tasks within the BIA bureaucracy.
	* Congress should investigate whether the allocation of funds in this category is, in fact, based on an adequate research foundation.
* The President's 1984 Budget proposes to eliminate funding for new school and program starts.	* If Indian tribes and communities are to assume increased responsibility for the education services their students receive, they should not be expected to do so without opportunities to obtain necessary funds for program starts.
* The President's 1984 Budget proposes to eliminate out-of-state tuition payments under the Johnson-O'Malley program and to fund the remaining J-O'M programs at the same level as provided in FY 1983.	* Congress should determine whether the present appropriation for Johnson-O'Malley should be increased to reflect changes in other Indian education programs, particularly Title IV of the Indian Education Act.

ISSUES	RECOMMENDATIONS
* The President's 1984 Budget requests a decrease in higher education scholarships which will be available for Indian students.	* Congress should determine whether the funds requested for higher education scholarships will be sufficient to meet the needs of Indian students.
* The President's 1984 Budget requests a decrease in appropriations to support special higher education programs serving Indian students.	* Congress should determine whether any rationale supports the administration's request to reduce funding for these programs.
* The President's 1984 Budget requests a reduction in funds for adult education purposes.	* Congress should determine whether the reductions proposed for adult education programs actually reflect reduced tribal interest in such services or reflect other constraints.
* The President's 1984 Budget requests reduced funds to support BIA post-secondary school operations, particularly to reflect a shift in the mechanism for funding the Southwestern Indian Polytechnical Institute (SIPI).	* Congress should determine whether the reductions proposed for adult education programs in general can be reconciled with the reductions proposed for these specific services.
* The President's 1984 Budget requests a slight increase in funding for Tribally Controlled Community Colleges.	* Congress should determine whether the request for Tribally Controlled Community Colleges will be adequate to operate these programs, particularly with regard to other funding curtailments on which these colleges may have relied in the past.
* The President's 1984 Budget requests a major reduction in Chapter 1 programs which serve educationally disadvantaged students.	* Congress should determine whether the reduced funding of Chapter 1 programs, combined with reductions in other education programs serving Indians, will disproportionately affect the present services which Indian students receive.
	* Congress should determine what impacts the administration's proposal for instituting a voucher system in these programs will have on BIA schools and on the educational opportunities available to Indian students from other schools.

ISSUES	RECOMMENDATIONS
* The President's 1984 Budget requests a nearly $12 million reduction in funds to be available to states for block grants.	* Congress should determine what impact these proposed reductions would have on Indian education programs and whether Indian students receive an equitable share of the education resources available through state block grants.
	* Congress should investigate the feasibility of earmarking state education block grant funds specifically for tribes to meet the special education needs of their students.
* The President's 1984 Budget requests a major new block grant program for mathematics and science education.	* Congress should determine whether a portion of the funds earmarked for mathematics and science education block grants should be set aside for direct funding to Indian tribes.
* The President's 1984 Budget requests a major reduction in Title VII Bilingual Education appropriations.	* Congress should determine the impacts that the proposed reductions in Bilingual Education services will have on Indian students, particularly in light of the reductions proposed for Title IV, Indian Education Act, programs.
* The President's 1984 Budget reflects a major shift in federal support for post-secondary education programs.	* Congress should determine what impacts these proposed shifts will have on Indian students, particularly in light of the changes proposed for other post-secondary programs serving Indian students through the BIA and the Department of Education.
* The President's 1984 Budget reflects a major shift in federal support for adult and vocational education, which are proposed to be provided through a new block grant to the states.	* Congress should determine what impacts these proposed shifts will have on Indian adult and vocational training programs, particularly in light of the proposed reductions in these areas under the BIA budget.
	* Congress should determine whether Indian tribes should be eligible for direct funding of adult and vocational education services outside the proposed state block grant system.

ISSUES	RECOMMENDATIONS
	* Congress should investigate whether the possibility that Indian adult and vocational education programs may be funded out of the Secretary's discretionary set-aside for special programs adequately protects Indian opportunities to receive adult and vocational education services.
* The President's 1984 Budget proposes to eliminate federal support for libraries.	* Congress should reauthorize the Library Services Act this year, including a new title to support library services for Indian tribes and communities.
* The President's 1984 Budget continues to urge that a new delivery system for federal education services be developed. In part, this is based on the administration's perception that education is not a responsibility of the federal government.	* Regardless of the outcome of any efforts to reorganize or eliminate the Department of Education, Congress should affirm that the United States has an ongoing commitment and responsibility for Indian education, which is legally distinct from other education activities in which the federal government is engaged.
* The President's 1984 Budget requests an increase for Headstart services, most of which will furnish nutritious meals for Headstart students.	* Congress should support the President's request for continuation and expansion of Headstart services, but should assure that Indian students continue to receive the level services they are entitled to.
* Indian education programs and services within the federal government remain fragmented and uncoordinated, impeding the ability of Indian tribes and communities to make the best use possible of the resources intended to serve their education needs.	* Congress should assure that major policy or program shifts in education maintain opportunities for Indian students to receive such services and for tribal governments to fulfill their obligations to participate in the planning and delivery of education services to their members.
	* Congressional oversight and monitoring of Indian education programs should be consolidated within the jurisdiction of the appropriate committees of the Senate and House to assure that the interests and needs of Indian tribes and communities receive the attention they deserve and that Indian education is not subsumed by other interests.

THE FEDERAL TRUST RESPONSIBILITY: INDIAN EDUCATION MUST REMAIN ELEMENTARY

In his declaration of federal policies to guide Indian affairs, President Reagan proposed to relegate federal involvement in education to a supplementary role. The Reagan policy uses the rhetoric of Indian self-determination, but it twists its principles to create fundamental and far-reaching shifts in the long-standing relationship between the United States and Indian tribes. Nowhere are these changes more apparent than in the area of Indian education--one of the central elements of the duty *pledged* by the federal government to Indian tribes and their members.

The federal government's trust responsibility stems from a unique political relationship. The federal-Indian relationship was characterized by Chief Justice Marshall as "perhaps unlike that of any other two people in existence" and resembles neither the relationship between the United States and the states, nor the relationship between the states and local governments. In *The Cherokee Nation v. Georgia*, 30 U. S. 1 (1831), Chief Justice Marshall described the relationship between tribes and the United States as follows:

> Their relation to the United States resembles that of a ward to his guardian. They look to our government for protection; rely upon its kindness and its power; appeal to it for relief to their wants; and address the President as their great father.

This theme was repeated by Marshall in another landmark decision the following year. In *Worcester v. Georgia*, 31 U. S. 515 (1832), he wrote:

> The Indian nations had always been considered as distinct, independent political communities, retaining their original natural rights, as the undisputed possessors of soil, from time immemorial. . . . The very term "nation," so generally applied to them, means, "a people distinct from others." The Constitution by declaring treaties already made, as well as those to be made, to the supreme law of the land, has adopted and sanctioned the previous treaties with the Indian nations. . . .

Out of these landmark Supreme Court cases, other declarations of the federal-tribal relationship have evolved. In U. S. v. Kagama (1886), the Court declared:

> Indian tribes are the wards of the nation. They are communities dependent on the United States. . . . From their very weakness and helplessness, so largely due to the course of dealing of the Federal Government with them and the treaties in which it was promised, there arises the duty of protection, and with it the power. This has always been recognized by the Executive and by Congress, and by this court, whenever the question has arisen.

And in Seminole Nation v. U. S. (1942), the Court explained:

> In carrying out its treaty obligations with the Indian tribes, the Government is something more than a mere contracting party. Under a humane and self imposed policy which has found expression in many acts of Congress and numerous decisions of this Court, it has charged itself with moral obligations of the highest responsibility and trust. Its conduct, as disclosed in the acts of those who represent it in dealings with the Indians, should therefore be judged by the most exacting fiduciary standards.

The governmental authority exercised by Indian tribes predates the U. S. Constitution, is inherent in the status of tribes, and is frequently preserved by treaties. Under the Constitution of the United States, treaties are the supreme law of the land. In return for relinquishment of vast tracts of land and of rights of external sovereignty, the tribes exacted important commitments: the right to maintain tribal ways and to manage their internal affairs. To fulfill these promises, the federal government guaranteed that it would support tribes in a variety of ways: by protecting their land, water, and resources; by guaranteeing their governmental autonomy; and by promoting their social and economic well-being.

As one element of our treaty with the United States, it was agreed that the federal government would furnish services and assistance for our "well-being and . . . civilization" and for our "moral improvement and education." (Article II, Treaty with the Tribes and Bands of Middle Oregon 12 Stat. 963 (1859). In Article IX, this Treaty concludes with these words:

> This treaty shall be obligatory on the contracting parties as soon as the same shall be ratified by the President and Senate of the United States.
>
> In witness whereof, the said Joel Palmer, on the part of the United States, and the undersigned chiefs, headmen, and delegates of the said confederated bands, have hereunto set their hands and seals, this twenty-fifth day of June, eighteen hundred fifty-five.

We believe that one of the primary pledges that the United States made to the Confederated Tribes was to help educate tribal members--not merely as a momentary token of appreciation, but as a solemn commitment and obligation which would last forever.

It was these assurances that helped persuade tribal delegates to the Treaty Council over one century ago to relinquish approximately 10 million acres of their ancestral home-lands--land that they had owned since time immemorial--for a permanent reservation a fraction of the size of their original domain.

But the treaties, by themselves, did not represent the United States' only promise that it would respect the rights and interests of Indian tribes. In the Northwest Ordinance of 1787, passed by the Continental Congress before the final adoption of the U. S. Constitution, the original colonies agreed that they would exercise "the utmost good faith" in their relations with the Indians. This significant national legislation provides in part:

> It is hereby ordained and declared by the authority aforesaid, that the following articles shall be considered as articles of compact between the original States and the people and States in the said territory and forever remain unalterable, unless by common consent, to wit:
>
> Art. 3d. Religion, morality, and knowledge, being

> necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged. The utmost good faith shall always be observed towards the Indians; their lands and property shall never be taken from them without their consent; and, in their property, rights and liberty, they shall never be invaded or disturbed, unless in just and lawful wars authorized by Congress; but laws founded in justice and humanity, shall, from time to time, be made for preventing wrongs being done to them, and for preserving peace and friendship with them.

At the time of the Treaty Council along the Columbia River in 1855, there were only two types of government involved--the Indian tribes on one side, and the United States on the other. Obviously, the treaty--written in a language foreign to the Indians and often interpreted to them in a trade jargon--could not be expected to anticipate every eventuality in the 20th century. But the tribal representatives who participated there understood well, as tribal officials and members do now, both what they were being asked to give up and what they were told to expect in return. These understandings have been faithfully passed down to succeeding generations of tribal members to describe what the treaty means. Unfortunately, similar continuity has not existed in the federal government's understanding of its treaty obligations. Nonetheless, the Confederated Tribes, in its relations with the United States since 1855, has consistently discharged its governmental responsibilities in partnership with the United States. In the view of the Confederated Tribes, this partnership among governments was confirmed by the writing of the Treaty of 1855, and it remains as viable and critical today as it was then.

The Confederated Tribes believes steadfastly that among the treaty pledges written into the 1855 Treaty were the following major elements:

- The right to territorial integrity so that the lands, waters, and resources of the Warm Springs Reservation and of the Confederated Tribes would be managed and maintained for the benefit of all generations of tribal members.

- The right of governmental integrity so that the rules by which tribal members lived would be of their own making and would permit the perpetuation of tribal ways of life.

- The right of individual tribal members to be able to fulfill their potential as community members and tribal leaders, whether on the reservation or off it.

These three basic principles cannot be separated from each other without unraveling the basic fabric of the federal-Indian relationship. Tribal treaty negotiators demanded absolute assurances that their tribal rights would be protected, and present tribal leaders expect no less.

In modern terms, these tribal expectations are expressed as the trust responsibility which the federal government exercises for the Confederated Tribes and its members and which the federal government carries out through a government to government relationship. When it does so, the federal government must exercise the "utmost good faith" on behalf of Indian tribes and their members, not just for the short-term but for a sustained and consistent long-term.

Education has always been one of the primary means by which the federal government carries out its trust responsibility. Through education, tribal members have acquired basic skills and have enhanced their personal talents, not only to adapt to society's changes, but to assume responsibility for their futures by capably managing their resources and affairs. But just as society's changes, and tribal needs, are never-ending, so is the necessity for education. For these reasons, Indian education has been an essential service which the federal government assumed centuries ago. It remains a mainstay which the federal government must maintain for centuries to come.

How these services are provided, however, has changed considerably. At Warm Springs, early federal education services were first provided at a makeshift school on the reservation more than a decade after the treaty's ratification. Soon after, a boarding school was established off the reservation for some Indian students, and others continued to attend federal schools on the reservation. Until the 1960s, most Indians attended federal day schools at Warm Springs. But since then, most have participated in the state public school system.

Despite these changes, the federal government has maintained an essential role both in monitoring the education services Indian students receive and in helping to finance education programs that serve them. This federal commitment to education continues even when Indian students attend public schools--which as citizens of their states they have a right to do, regardless of the fact that they live on their reservation. While the present state system for delivering education services to Indians may entail less cost for the federal government than direct operation of Indian schools would, it entails no less responsibility. And this responsibility persists because of the commitments which the United States made to guarantee tribes the right to continue their ways of life as Indian communities forever. The responsibility for Indian education is of equal stature with the other treaty commitments which the United States made.

Indian education cannot be shifted wholly onto the state or onto individual tribes themselves. To do so would ultimately undermine the federal government's other trust resopnsibilities and the foundation on which all these responsibilities are based. Therefore, the Confederated Tribes of the Warm Springs Reservation of Oregon concludes that the United States must, pursuant to the legal, moral, and political pledges it made with us by treaty and otherwise, guarantee forever our rights as an autonomous Indian tribe and promote both our human and natural resources for our mutual benefit.

EXECUTIVE SUMMARY

THE UNITED STATES' TRUST RESPONSIBILITY FOR INDIAN EDUCATION

The following excerpts are from the position paper "The United States' Trust Responsibility for Indian Education," adopted by the Tribal Council of the Confederated Tribes of the Warm Springs Reservation of Oregon by Resolution No. 6223, May 11, 1982. Full reprints of the position paper are available from the Tribal Council office in Warm Springs, Oregon 97761.

I. INTRODUCTION

The Reagan administration has sought to justify its budgetary objective of reducing federal spending with a policy declaration of far-reaching significance to Indian people throughout the nation. In its simplest terms, this new Reagan policy proposes that education services are not one of the trust responsibilities the United States owes to Indian tribes.

This position paper sets forth the answer of the Confederated Tribes of the Warm Springs Reservation of Oregon to the question, "Does the United States have a trust responsibility to assure adequate education services for Indian people?" We strongly answer "Yes."

II. POLICY STATEMENT

The Confederated Tribes of the Warm Springs Reservation of Oregon declares that the United States must maintain its legal and moral obligation to provide adequate opportunities for our members' education and training. Only in this way can we, as tribal members, continue to determine the direction of our own lives and to capably manage our corporate and governmental affairs as a responsible and sovereign tribal entity.

III. RATIONALE

- The trust responsibility is well-founded in American history.
- The trust responsibility is well-founded in American jurisprudence.
- The trust responsibility is necessary for protecting tribal resources and preserving tribal self-government.

- The trust responsibility is owed to tribal governments and their members.
- The trust responsibility extends beyond the Bureau of Indian Affairs to all agencies of the United States.
- The Executive Branch is responsible for carrying out the United States' trust responsibility, not for creating or dissolving it.
- Reduced federal appropriations do not diminish the trust responsibility owed to tribal governments.
- Trust responsibilities cannot be contracted away.
- The BIA's organizational structure does not define the trust responsibility's breadth.
- The concept's of trust responsibilities and treaty rights are not synonymous.
- The trust responsibility includes education and other services. It is not limited to physical resources.
- The trust responsibility does not include all federal Indian education services.

IV. CONCLUSIONS AND RECOMMENDATIONS

Based on our analysis of the development of the federal government's trust responsibility and its application to us, the Confederated Tribes of the Warm Springs Reservation of Oregon concludes and recommends:

- The federal government has a continuing obligation, founded in our treaty and in numerous federal laws, to protect and strengthen our ability to remain as a sovereign tribal community. This trust responsibility extends from our Reservation and its natural resources to our tribal members, and it is fulfilled by the United States through its dealings with our established tribal government.
- The federal government's trust responsibilities include the obligation to provide our Tribes with sufficient educational opportunities to assure our existence as a distinct and autonomous tribal community forever.
- The United States, through the Cognerss, should make an unequivocal policy declaration that the United States will respect its continuing legal and moral obligations to safeguard and upgrade--through the provision of technical, financial, and legal assistance--the integrity of our Tribes and our Reservation and of other Indian tribes.

- The declaration should address the fundamental responsibility of the United States to guarantee that tribal members receive education services that satisfy their personal goals and that meet our tribal needs for a skilled and informed tribal citizenry.

- The declaration should describe those education services the United States will furnish in furtherance of its trust responsibility.

- The declaration should require that all federal education funds appropriated for Indians in fulfillment of the trust responsibility will be provided to tribal governments for distribution in accordance with tribal education plans and objectives.

THE BUDGETARY SHELL GAME REVISITED: FEDERAL SUPPORT FOR INDIAN EDUCATION IN FY 1984

I. INTRODUCTION

In 1982, the Confederated Tribes of the Warm Springs Reservation of Oregon characterized the Reagan administration's proposals for Indian education as an elaborate shell game whose rules were unwritten and whose purposes were unclear. Then, we argued:

> The Reagan administration is pursuing a course that will significantly alter the education services that Indian students will receive in future years from the federal government. Proponents argue that these changes ultimately will result in improved services to Indian students. They envision their efforts as seeking better organizational control and reduced administrative duplication within the Bureau of Indian Affairs. But the likelihood of Indian students receiving any tangible benefits from these actions is remote. Instead, the Reagan administration's shuffling of Indian education programs is more likely to further erode the federal government's ability to meet the education needs of Indian students and to fulfill its trust responsibility to Indian tribes and their members.

Based on our review of the President's budget for FY 1984 and his Indian Policy, the Confederated Tribes is convinced that our analogy was apt then and remains so now. For this year and the next, the rules appear to have changed, but the objectives are becoming more clear.

Now, the administration is no longer claiming that education is not a federal trust responsibility. It no longer seeks the elimination of Impact Aid funds to school districts serving Indian students, nor the transfer of Title IV of the Indian Education Act to the Bureau of Indian Affairs. It no longer proposes massive reorganization of its education bureaucracy. And it longer intimates that all BIA boarding schools are being considered for immediate closure.

Instead, the Reagan administration now asserts that it seeks to strengthen Indian tribes as self-governing entities by removing the oppression of federal administration, by conducting Indian affairs on a government-to-government basis, and by enabling tribes to assume control over their own affairs in matters like education, social services, and law enforcement. Instead, it proposes to increase the Impact Aid funds benefiting Indian students, to eliminate Title IV services entirely, and to close only a few boarding schools.

For FY 1984, the Reagan administration envisions a new federal emphasis on education services for Indian students from kindergarten through 12th grade. And it anticipates increased Indian education support through state systems of education, which are responsible for administering federal education block grants. How the administration can make these assertions in the face of the withdrawal of all Title IV programs and of its commitment to involve tribes on a government-to-government basis is unfathomable.

It is extremely difficult to project what these changes will mean for Indian education, either nationally or locally. Before attempting to do so, however, it is helpful to review what occurred during last year's budget deliberations and what environment these changes encountered.

II. BACKGROUND

A. Public Law 95-561. The Education Amendments Act of 1978, commonly called P. L. 95-561, made substantive changes in the BIA's education structure and operations. It separated education from other BIA services by establishing an Office of Indian Education under the Assistant Secretary for Indian Affairs and by assigning line responsibility from the Office over all BIA education personnel. Instead of reporting to the Area Director, who manages all other BIA operations, education personnel are responsible only to their Area Education Directors and the Director of the Office of Indian Education. The law also mandated that the BIA develop and follow uniform procedures for its education services throughout the United States. Significantly, the law increased the funding available under the Impact Aid program to school districts serving Indian students. And it created a formal mechanism to involve tribal governments in how these funds serve Indian students.

But several unanticipated results have occurred in the five years following the law's enactment. The BIA now narrowly construes its responsibility for Indian education to those services it provides directly. As a result, it ignores other significant federal education services which also benefit Indian students. In addition, the opportunities for tribal involvement in planning and delivering education services have diminished. Because education is now an isolated BIA operation, tribal governments can no longer establish their priorities for BIA assistance by balancing their education needs against other social or economic concerns. Instead, they must advocate their education desires only against those of other tribes and education interests, and they must compete only for education resources available within the BIA.

Moreover, although a clearer definition of the federal government's Indian education responsibilities was clearly contemplated by P. L. 95-561, the BIA has not addressed this issue. Instead, the BIA has simply sought to implement the law's bureaucratic provisions without developing any basic principles or long-range objectives from which its activities could be directed or its performance measured. In emphasizing these changes, the BIA has neglected to develop the administrative regulations necessary to implement the law's authorization for tribes to contract education services which fail to meet their needs. The law's potential leverage for tribal involvement has been nullified by BIA inaction. Furthermore, even if these mechanisms were available, the law does not permit a tribe to receive those funds which were provided previously for their students. As a result, these Impact Aid monies could be denied to a public school that failed to serve Indian students, but they would not be provided to a tribe that sought to serve these same students. Unfortunately, the BIA has not brought this issue to Congress' attention for legislative action, undoubtedly because it has failed to provide administratively for the mechanisms which would be necessary to make such legislative changes meaningful.

B. Federal Budget Ceilings. At the same time that the BIA has been struggling to conform to some of the mandates of P. L. 95-561, the federal government has engaged in massive budget-cutting. In large measure, the latter has overwhelmed any progress that might otherwise have occurred. Instead of ultimately channeling more resources directly into education services--the objective sought in P. L. 95-561, the BIA has consumed large chunks of its education budget in administrative reorganization and red-tape. The BIA's apparent inability to cope with the changes dictated by P. L. 95-561 only fuels the belief that it should be relieved of its education responsibilities. Unfortunately, the prospects of developing another delivery system for Indian education services are dim: neither the Department of Education nor the states have developed convincing records to demonstrate their capability or interest in administering Indian education programs well, or in marshaling the resources necessary to operate them.

But these budget-cutting exercises, particularly as they involve

Indian education, have been carried out without knowledge of their likely impacts. The Reagan administration has identified broad budget guidelines which every federal agency is expected to accept. In wielding the budget axe, little regard is given to program realities. Therefore, if the federal government supports two "Indian education" programs, one can probably be eliminated as duplicative; if the federal government also supports a similar program for the public schools, then probably both Indian education programs can be excised to save the federal treasury. When none of the principal federal officials--whether in the Bureau of Indian Affairs, the Department of Education, the Office of Management and Budget, the Office of Planning, Budgeting, and Administration, or the White House--know or care much about Indian education, it is easy to understand why these programs suffer in the development of federal budget priorities. How these attitudes translate into budget decisions will be considered in the following section of this paper.

III. THE CHANGING FEDERAL INVOLVEMENT IN INDIAN EDUCATION

In the 1980s, Indian education involves numerous tribal, federal, and state education systems. No longer is Indian education the sole responsibility of the federal government, but neither is the responsibility held wholly by the states or by public school districts. Many Indian children are educated in the public schools; but many are also educated in tribal and federal schools. Because of the diverse situations involved in Indian education, only broad generalizations are possible to describe how the various elements of the education systems for Indians operate. The following case study of the Warm Springs Reservation will demonstrate at least how education services are delivered in one Indian community and one way the federal government discharges its responsibilities for Indian education.

A. Case Study of the Warm Springs Reservation: Education for Indians.

The Warm Springs Reservation in north-central Oregon encompasses over 660,000 acres and adjoins five Oregon counties. The majority of the reservation's 2,600 residents live in the south-eastern portion in Jefferson County, a rural and largely agricultural county. Since the early 1960s, the reservation has been a part of the Jefferson County School District No. 509-J, which has provided public school services both on and off the reservation to tribal members. The district operates one elementary school on the reservation and provides transportation services off the reservation for students to attend junior and senior high school in Madras, the county seat located 15 miles south of the reservation's largest community--Warm Springs. In recent years, Indian students have comprised approximately one-third of the district's enrollment.

Although state and local taxes constitute a significant portion of the district's operating revenues, federal and tribal contributions are also an important segment of the district's budget. A school district study in the late 1970s determined that the presence of Indian students in the district attracted from 35 to 45 percent of the district's budget from federal and tribal sources. These are funds which would not be available if Indian students from the Warm Springs Reservation did not attend public school and which help underwrite the costs of education for all students in the district.

Direct support for Indian education from the federal government comes to the district from several sources. These include Impact Aid funds which help replace revenue lost because of the reservation's exemption from state and local taxation; Johnson-O'Malley funds which support programs meeting the special educational needs of Indian students; and Indian Education Act Title IV funds which support supplementary programs for Indian students.

In addition to these federal programs, the Confederated Tribes of the Warm Springs Reservation also funds a range of education programs, including early childhood education, cultural education, and scholarships under the supervision of the Tribal Education Department. And as an important corollary to enrolling its students in the public schools, the Tribes allowed a portion of a major hydroelectric facility on tribal lands to be taxed for school purposes--a highly lucrative assessment for the Jefferson County Schools, which reduces the taxes which would otherwise have to be assessed locally.

Although most Indian students on the Warm Springs Reservation attend these public schools, the Confederated Tribes also utilizes off-reservation boarding schools, like the Chemawa and Intermountain schools, for students who can benefit from such opportunities.

B. Recent Changes in Federal Support for Indian Education at Warm Springs

Two events in the past year, both of which involve the level of federal support for Indian education on the Warm Springs Reservation, have significantly affected these services. In 1982-83, the school district faced a short-fall of approximately $600,000 in its general fund budget of approximately $7 million. (Of this total budget, 45 percent is derived from state revenues, 33 percent from local property taxes, and 32 percent from federal and other sources.) To balance its budget, the district required nearly 30 percent more from local sources, part of which was necessary to offset the loss of federal Impact Aid funds.

One immediate consequence of these budget difficulties was the district's decision to close one of the Warm Springs Reservation's two elementary schools: the school at Simnasho on the northern end of the reservation. Because of the unique setting and community support for this school and because of the strong tribal curriculum which the school incorporated, the closure of the Simnasho School was particularly difficult for the Warm Springs community to accept.

But in addition to these cut-backs in the district's basic education programs, supplementary federal services--many of which serve Indian students--channeled through the State of Oregon were also lost. For example, in 1981-82, the district received approximately $600,000 in funds for disadvantaged, Indian, handicapped, or migrant students' special educational needs. Last year, nearly $100,000 less was available from these sources, and approximately two-thirds of this loss was caused by a reduction in Title IV Indian Education funds.

The second event resulted from the BIA efforts to reorganize its support services within the Portland Area Office in order to economize on education administrative expenses. Although for years the BIA has furnished an education specialist to assist tribal students and tribal government in education matters, this position was transferred back to the Area Office to allow more diversified services to be provided within the region. In implementing the organizational structure mandated under P. L. 95-561, the BIA decided that it could not justify a position at Warm Springs, which has neither Bureau- or tribally-operated schools. In effect, nearly $60,000 of education resources on which the Warm Springs Confederated Tribes had relied for years were lost.

For 1983-84, the public school district and the Confederated Tribes face an equally dismal education budget. At present, the district projects a short-fall of nearly $700,000 (or approximately 10 percent) in the general fund revenues which will be available to it. In addition, if the President's proposed budget were adopted, the district would lose much of its present funds for Title IV Indian Education services this school year and all of these funds (approximately $140,000 next year). The district superintendent believes that none of these lost revenues could be replaced from other sources.

And although these impacts on public school services are dramatic, they represent only a portion of the reductions which may occur. First, the State of Oregon faces major deficits this biennium. Unless new, and highly controversial, revenue sources are approved by the Oregon Legislature this session, severe reductions in state basic school support funds are expected. While these reductions would obviously be spread across all districts in the state, their impact on Indian students would be significant nonetheless. Second, tribal government at Warm Springs also must cope with proposed reductions in federal vocational training and higher education programs. Last year, nearly two-thirds of the funds which supported vocational training on the reservation disappeared. Overall, tribal government has eliminated over $230,000 in education services from its budget for 1983, a decrease of 21 percent in all funds available and a decrease of 32 percent in tribal funds. Despite its commitment to education as a high priority, Warm Springs tribal government cannot maintain the level of support for education which the community is accustomed to receiving. If additional cut-backs in federal appropriations take effect, further reductions may be required.

IV. THE FY 1984 BUDGET SHELLS

Although the full effects of the proposed budget for fiscal year 1984 cannot be determined now, the direction in the Reagan administration's budget is clear, and certain trends can be identified. Overall, it is likely that less money--how much less will be set by Congress and the President--will be available again next year. These lower budgets are not just less than this year's, but lower than the previous year's, which was lower than its preceding year's. The following examples demonstrate the course that the Reagan administration is charting for Indian education.

For FY 1983, $264,631,000 was appropriated for BIA education services generally. For FY 1984, the President requests a reduction of over $15.5 million, most of which would be realized from elimination of BIA funds for Alaska schools ($9.35 million) and the balance of which would be spread across most other BIA education programs. Only the Indian School Equalization Formula (ISEF) is proposed to increase by approximately $300,000 out of its $153 million appropriation. This reduction for BIA education represents over $20 million less than was appropriated for FY 1981.

Outside the BIA, Indian education programs fare even less well. Although Impact Aid funds for "A" students--whose parents both live and work on federally affected lands--would increase by $11 million to $446 million for FY 1984, other aspects of Impact Aid would be reduced or eliminated to effect a general reduction of $15.2 million in appropriations under this program. Chapter 1 funds, which provide compensatory education services for disadvantaged students would decrease by $160 million under the President's budget. Chapter 2 funds, which include state education block grants for special programs, would decrease nearly $12 million, although a new block grant program for mathematics and science education would be funded at $50 million.

For Title IV of the Indian Education Act, the President proposes its virtual elimination in FY 1984, leaving only $1 million for administrative purposes in closing out programs, which were funded to receive about

$67 million in FY 1983. But in addition, the President requests that Cognress approve a rescission of $16.128 million in order to ". . . begin phase-down activities in 1983, allowing orderly program termination in 1984." The elimination of this program is justified by the President's budget explanation that:

> In concern with the Administration's overall policy regarding separate funding for Indians not on reservations, we are proposing to terminate assistance under the Indian Education Act. . . . Services to federally recognized tribes living on or near reservations will continue to be provided by the Bureau of Indian Affairs, in recognition of the special relationship between the Indian tribes and the federal government.

In other areas, the President's budget would reduce Title VII Bilingual Education programs by over $42 million and would reduce Bilingual Vocational Education programs by nearly $5 million.

In higher education programs, the President's budget masks severe cut backs which will directly impact Indian students. Although the work-study program would be increased from $540 million to $850 million, this increase would more than be offset by elimination of direct student loans, by a reduction in Pell grnats by $1.84 billion, and by a reduction in guaranteed student loans by $217 million. As these general higher education programs dry up, Indian students will increasingly become dependent on federal and tribal higher education programs. Unfortunately, these programs too are undergoing significant reductions.

Because these amounts only reflect the President's initial budget requests, it is impossible to predict what actions Congress will take as it develops the budget for FY 1984. But at least two outcomes are clear: the level of federal suport for Indian education will not be adequate to meet all the education needs of Indian students, and the uncertainty over program appropriations will make it impossible to implement long-range planning for Indian education.

JEFFERSON COUNTY SCHOOL DISTRICT 509-J
1355 Buff Street Madras, Oregon 97741 (503)475-6192

16 February 1983

Bruce Bishop
7777 SW Canyon Lane
Portland, Oregon 97225

IMPACT OF LOSS OF TITLE IV FUNDS

Bruce, the proposed deletion of Title IV 186A Funds which support programs for the special needs of American Indian students would drastically reduce opportunities for American Indian students enrolled in District 509-J schools. Currently Title IV funds support alternative education, counseling, teacher aides, and enrichment activities that otherwise would not be provided. Title IV funds have filled a need for American Indian students that predictably would not be replaced with local taxes. I am attaching an abstract of the proposed 1983-84 Title IV budget which if unfunded would be eliminated from the local district budget.

The district general fund budget totals $7,035,984. Current estimates place the 1983-84 general fund budget at $7,700,000. With this impending increase in local taxes funding of special programs for special purposes would become virtually impossible.

Since the beginning of the Indian Education Act funds, District 509-J has been able to provide important supplementary programs for American Indian students and has been able to establish regular on-going communication with parents involved in assisting with planning of the special supplementary programs. With loss of the funds, we might anticipate a decrease in parental involvement in school district planning.

The importance of impact aid funds to District 509-J is well documented by the fact that the approximately $800,000 received supports the general fund educational program and would have to be directly made up by local taxpayers. The impact on the 1983-84 budget would be to increase $700,000 currently provided by another $800,000 or face damaging budget reductions.

The District has sub-contracted with the Confederated Tribes of Warm Springs to offer supplementary programs under Johnson O'Malley funds. The current year's program is described in the attached sub-contract. Similar to Indian Education Act funds, JOM funds have been productively used to benefit American Indian students and provide supplementary services that otherwise would not be provided.

Sincerely,

Darrell Wright,
Superintendent

DW/cc

Enclosures: 1983-84 Title IV, Part A Budget
Johnson O'Malley Sub-contract with Confederated Tribes of Warm Springs

1.0 PERSONNEL	
1.1 Alternative education Instructor - one person to work with Indian students 9-12 who fall behind in assignments due to poor attendance, illness, difficulty performing school work.	$ 15,902
1.2 Counselors - two people to provide individual and/or small group counseling activities to Indian students to assist in meeting their personal, social, & academic needs.	$ 49,505
1.3 Elementary Teacher Aides - two people to reduce student:adult ratio in classrooms; act as Indian role-models for the students; assist teachers with the DISTAR Reading Program.	$ 14,215
1.4 Secretary - one person part-time for required correspondence, PAC & project design communications.	$ 3,601
1.5 Elementary Summer School Director - one person to coordinate and supervise teaching staff.	$ 1,332
1.6 Elementary Summer School Teachers - eight people to give individual and group instruction to Indian students.	$ 7,040
1.7 Elementary Summer School Community Liaison - one person to coordinate efforts with teachers, parents and students.	$ 779
1.8 Substitute Time for Alternative Education Instructor	$ 250
1.9 Substitute Time for Teacher Aides	$ 500
TOTAL PERSONNEL	$ 93,124
2.0 EMPLOYEE FRINGE BENEFITS - PERS, S.S., SAIF, (Health, Dental, L.T.D, and Life Insurance when necessary).	
2.1 Alternative Education Instructor	$ 5,823
2.2 Counselors	$ 16,226
2.3 Elementary Teacher Aides	$ 6,935
2.4 Secretary	$ 1,339
2.5 Elementary Summer School Director	$ 344
2.6 Elementary Summer School Teachers	$ 1,816
2.7 Elementary Summer School Community Liaison	$ 202
2.8 Substitutes	$ 194
TOTAL FRINGE BENEFITS	$ 32,879
3.0 TRAVEL	
3.1 Counselors - to fulfill project goals related to counseling activities (incl in-district & out-of-district workshops).	$ 1,000
3.3 Alternative Education and Drop-Out Prevention - in-district & out-of-district travel for teachers & counselors as needed to conduct project activities.	$ 600
3.4 Parent Committee & Administration- to attend state & regional Indian Education Conferences & Committee training activities.	$ 5,000
3.5 Talented and Gifted - including meals, lodging, mileage for student activities involving identified talented and gifted Indian youth.	$ 2,500
TOTAL TRAVEL	$ 9,100
4.0 SUPPLIES	
4.1 Talented and Gifted - to provide gifted Indian students wi… opportunities for educational experiences not normally available through the traditional school program.	$ 2,500
4.2 Elementary Summer School - to supply needed items for summer school classes.	$ 1,500
TOTAL SUPPLIES	$ 4,000
5.0 CONTRACTED SERVICES	
5.2 Evaluation	$ 3,000
5.3 Telephone/Postage/Supplies - to be used by the program director for administrating, evaluating, enrichment and parent committee arrangements. (T/$100, P/$300, S/$100)	$ 500
TOTAL CONTRACTED SERVICES	$ 3,500

TOTAL PERSONNEL	$ 93,124
TOTAL FRINGE BENEFITS	32,879
TOTAL TRAVEL	9,100
TOTAL SUPPIES	4,000
TOTAL CONTRACTED SERVICES	3,500
TOTAL BUDGET	$142,603

JEFFERSON COUNTY SCHOOL DISTRICT 509-J

TITLE IV, PART A, I.E.A. PROPOSED BUDGET FOR 1983-84

(APPLICATIONS/"IVABUD"/grs/11-11-82)

FILE

SUB-CONTRACT

between

The Confederated Tribes of the
Warm Springs Reservation
Warm Springs, OR 97761

AND

Jefferson County School District 509J
1355 Buff Street
Madras, OR 97741

The Confederated Tribes of the Warm Springs Reservation of Oregon, hereinafter called Grantor, being a Federally recognized Tribe, thereby eligible to contract Bureau of Indian Affairs P.L. 93-638 funds, has the authority under Section 273.11 of said law to sub-contract P.L. 93-638 funds and,

The sub-contracting party, Jefferson County School District 509-J hereinafter, called Grantee, being a state recognized school district, and having demonstrated the administrative capabilities needed to administer this contract, or determined by the Grantor and the Bureau of Indian Affairs, have as stated in P.L. 93-638, Section 273.11, the authority to enter into this sub-contract.

Therefore, based upon the authority of the Grantor and the Grantee as stated above, the contracting parties hereby enter into the following agreement.

1) The Grantee shall provide a basic Alternative Education Program for Native American students who for a variety of reasons do not succeed in the Traditional Public School Program. (Alternative Program description attached and made a part of this agreement - Attachment A).

2) The Grantee shall employ two (2) Community Liaisons, to be assigned to Schools with predominant Indian enrollment.

3) The term of this sub-contract shall be from August 15, 1982 to June 30, 1983.

4) The amount of contracted funds shall not exceed $80,715, budget for these funds shall be as follows:

*Alternative Education Program	$40,146
Community Liaison (2)	40,569
TOTAL	$80,715

*The Alternative Education Program is cooperatively funded by District funds and Federal funds. The amount included in this sub-contract represents a portion of the total budget.

5) The Grantee shall maintain the funds sub-contracted herein under a seperate accounting system, with the principal authorized signatures bonded.

6) The Grantee shall accept full liability for funds expended beyond the amount and purposes stated herein.

7) The Grantee shall maintain adequate records that provide for the submittal of Quarterly Reports to the Grantor by the (15th) fifteenth working day of the month, and an annual Evaluation Report.

8) The Grantee shall have available for inspection and/or audit by the Grantor all documents relevant to this sub-contract.

9) Provided that the Grantee fulfills the above provisions, the Grantor shall provide the following services:

  a) Provide technical, and administrative support to the Grantee for the design, implementation, operation and evaluation of the program.

  b) Provide classroom facilities with appropriate compensation, in the Warm Springs Community to adequately house the Alternative Education Program.

  c) Reimburse the Grantee on a quarterly bases, subject to the receipt of an itemized invoice of actual expenditures included in the approved budget.

10) Modifications to this sub-contract shall be agreed upon by both contracting parties.

The following signatures represent the persons of each contracting party who are authorized on behalf of the respective organization to enter into this sub-contract.

Darrell Wright
Darrell Wright, Superintendent
Jefferson County School District 509-J
1355 Buff Street
Madras, OR 97741

6-30-82
DATE

Ralph Minnick, Secretary-Treasurer
The Confederated Tribes of the Warm Springs
Reservation of Oregon
Warm Springs, OR 97761

DATE

CUMBERLAND COUNTY ASSOCIATION F
102 INDIAN DR
FAYETTEVILLE NC 28301

Western Union Mailgram

4-0214768052 02/21/83 ICS IPMMTZZ CSP WSHB FEB 23 AM 11: 21
9194838442 MGM TDMT FAYETTEVILLE NC 109 02-21 0214P EST

RECEIVED FEB 2 4 1983

HONORABLE MARK ANDREWS CHAIRMAN SENATE SELECT
COMMITTEE ON INDIAN AFFAIRS
6313 DIRKSEN BLDG
WASHINGTON DC 20515

DEAR CHAIRMAN ANDREWS,

THIS IS TO ADVISE YOU OF OUR CONCERN FOR THE FUTURE DIRECTION OF THE ADMINISTRATION FOR NATIVE AMERICANS, OVER 70,000 OFF RESERVATION/URBAN INDIANS IN NORTH CAROLINA DEPEND ON A.N.A. SUPPORT FOR DEVELOPING AND IMPLEMENTING LONG RANGE ECONOMIC DEVELOPMENT STRATEGY, WITHOUT A.N.A. SUPPORT OUR EFFORTS WOULD BE SET BACK TO THE POST CIVIL WAR. WE STRONGLY URGE CONTINUED SUPPORT FOR OFF RESERVATION/URBAN FUNDING FROM A.N.A. WE OPPOSE ANY PLANS TO TRANSFER A.N.A. TO THE B.I.A. WE RESPECTFULLY REQUEST YOUR SUPPORT IN THESE MATTERS.

SINCERELY,
JAMES HARDIN, PRESIDENT
UNITED TRIBES OF NORTH CAROLINA

14:16 EST

MGMCOMP

6, 1839.

THE EASTERN BAND OF CHEROKEE INDIANS
QUALLA BOUNDARY / P. O. BOX 455, CHEROKEE, N. C. 28719 • PHONE (704) 497-2771, 497-4771

John A. Crowe
Principal-Chief

Alvin E. Smith
Vice-Chief

Jerome Parker
Executive Advisor

Mr. Chairman, Members of the Committee:

I am Jonathan Taylor, Chairman of the Tribal Council of the Eastern Band of Cherokee Indians. Today I wish to express the beliefs, concerns and the feelings of our Tribe to this Committee about the inherent rights and powers of our sovereign government to define conditions for membership in our Cherokee Band and to regulate all internal domestic relations of our people.

We have never surrendered those rights and powers.

We assert our complete authority to determine our own membership and the consequent eligibility of our tribal members for benefits and services provided by, or on behalf of, the Eastern Band, by the United States government.

We respectfully request that the U. S. Congress continue to respect this exercise of our sovereign rights and protect us from all derival of these rights.

Our Cherokee governmental authority and standards for membership and the consequent eligibility for tribal benefits were long ago established by historical practice and custom. We count this authority as only one of our many powers of government where we are not subservient.

To show you how we have always believed in our God-given right to govern ourselves and control our own internal affairs, I ask your indulgence to let me read to you a resolution passed by my ancestors when they were facing removal from our ancestral lands in 1838:

> "The Title of the Cherokee people to their lands is the most ancient pure, and absolute known to man; its date is beyond the reach of human record; its validity confirmed by possession and enjoyment antecedent to all pretense of claim by any portion of the human race. The free consent of the Cherokee people is indispensible to a valid transfer of the Cherokee title. The Cherokee people have existed as a distinct national community for a period extending into antiquity beyond the date and records and memory of man. These attributes have never been relinquished by the Cherokee people, and cannot be dissolved by the expulsion of the Nation from its territory by the power of the United States government."1

TRIBAL COUNCIL MEMBERS:
Jonathan Taylor, Chairman, Bill Ledford, Vice-Chairman, Richard Snead, Dan McCoy, Bertha Saunooke, Philip Smith, Wilbur Sequoyah, Julius F. Taylor, Gerard Parker, Bradley Tahquette, Bailey Coleman, Albert Martin, [illegible], English Clerk; Maggie Wachacha, Indian Clerk; Mose Junaluska, Interpreter; [illegible], Dean Marshall, [illegible] Martin, Messenger; Harold [illegible], Janitor

Before I venture into the area of our concerns and our request that the U. S. Congress protect our self-governing authority to determine our tribal membership and the consequent eligibility of our tribal members for benefits and services, I believe it is important to cite the Martinez decision made by the Supreme Court in 1978. Mr. Justice Marshall, in delivering the opinion of the Court quoted the U.S. District Court for the District of New Mexico: "To abrogate tribal decisions, particularly in the delicate area of membership, for whatever 'good' reasons, is to destroy cultural identity under the guise of saving it."[2]

Further, the Opinion declares the. . . "Indian tribes are distinct independent political communities retaining their original natural rights in matters of local self-government[3]. . . They have power to make their own substantive law in internal matters,[4] and to enforce that law in their own forums,[5]".

Mr. Chairman, the Eastern Band of Cherokees is deeply concerned that others outside of our tribal government are making decisions about who is Cherokee and what benefits they will receive.

It seems clear that there is a constant violation of the Supreme Court's recognition that Indian tribes possess "independent authority over matters that affect their internal and social relations of tribal life" United States vs. Mazuie, supra, when agencies of the United States government intrude into our internal affairs and abrogate our tribal dicisions pertaining to tribal responsibilities, memberships and eligibility.

We are outraged at the caprice of bureaucrats who tell us that our children must be a certain blood quantum, other than what we determine, in order to enjoy the benefits as tribal members. At the same time other federal agency bureaucrats tell us that a self proclaimed Cherokee Princess is eligible for certain federal services. Still other federal agencies deny, to our sovereign tribal government, the inherent power to regulate internal domestic relations when we are told that the government has made a dicision to carry out our time honored responsibilities of kinship toward our spouses and dependents.

Again we must assert that the Eastern Band of Cherokees retains the power and authority to regulate all internal domestic relations regarding marriage, divorce, illegitimacy, adoption, guardianship, and support of family members.

Mr. Chairman, I am certain that you are aware that different federal departments, agencies and bureaus impose upon us nearly 40 conflicting definitions of who and what an Indian is, and how eligibility for federal services should be based on those imposed conflicting definitions.

I cannot imagine that the United States government would permit such an intrusion by an outside government in the determination of U. S. citizenship or individual eligibility for rights and benefits. We ask your understanding that the consequences of external abrogation of our tribal government decisions regarding membership and domestic relations are most seriously destructive of our government and our cultural life. Educational opportunity is being denied to many of our children. The emotional hardships of family disruption is eminent when external decisions are made about eligibility even for emergency health care.

Mr. Chairman, we respectfully suggest that a partial resolution to the problems I have described would be that the Congress accept and reaffirm the inherent authority of the Eastern Band of Cherokee Indians, as a federally recognized Tribe, to determine our own tribal membership and that these members be eligible for benefits and services.

We believe that all other federal and state definitions specifying who is a member of the Eastern Band of Cherokees and all external descriptions of eligibility should be made void.

We respectfully suggest that the Congress enact legislation which would be consistent with the 1978 Supreme Court Martinez decision and which would reaffirm the doctrine that only tribal governments themselves have the authority to determine their own tribal membership and consequent eligibility.

We respectfully request that the Congress continue to accept and respect the inherent authority of the Eastern Band of Cherokees as affirmed by the Supreme Court dicision to regulate all internal domestic relations of our people. This is most important because our deepest feeling is that we must preserve the health, welfare and integrity of our families.

I would like to close with one last concern that pertains to the administration's proposed FY'84 budget. We ask you to save from elimination the vitally needed Community Health Representative Program. The CHR program presents an integrated approach to preventive and direct health care services. CHR's can cross the boundaries of custom and language more easily than a hospital staff and provide greater opportunity for individual/community involvement. This involvement is as essential as it is creative in health care and improved use of hospital resources. We believe that a sound preventative health care program today will save many times its cost in future health care expenditures.

Thank you.

[1] Resolution passed by my ancestors when they were facing removal from our ancestral lands in 1838:

[2] Martinez Decision made by the Supreme Court of the United States in 1978

[3] Wocester V. Georgia 31 U.S. (6 Pet.) 515,559 (1982); see U. S. v. Mazurie, 419 U.S. 544,447 (1975); F Cohen Handbook on Federal Indian Law 122-123 (1941)....

[4] See Roff v. Burney, 168 U.S. 218 (1978) (membership); Jones v. Meehan, 175 U. S. 1,29 (1899) (inheritance rules); United States v. Quiver, 241 U.S. 602 (1916) (domestic relations).

[5] See, e.g. Williams v. Lee, 358 U. S. 217 (1958).

Fort Belknap Community Council
FORT BELKNAP EDUCATION DEPARTMENT

(406) 353-2205
P.O. Box 39
Fort Belknap Agency
Harlem, Montana 59526

Fort Belknap Indian Community
(Tribal Govt.)
Fort Belknap Indian Community
(Elected to administer the affairs of the community and to represent the Assiniboine and the Gros Ventre Tribes of the Fort Belknap Indian Reservation)

DATE

1983 MAR 15 AM 8 58

RECEIVED MAR 1 6 1983

March 10, 1983

IA

The Honorable Mark Andrews
U.S. Senate
421 Russell Office Building
Washington D.C. 20510

Dear Sir:

Enclosed is the Fort Belknap Community Council's Position Paper on the Indian Education Act, Public Law 92-318 as amended.

The Fort Belknap Community Council and the people of Fort Belkap opposes the phase-out and termination of the Title IV, Indian Education Act as is being proposed by the Reagan Administration and Department of Education. This phase-out and termination does not, in any legal or other way, reflect the intention and spirit of P.L. 96-638, the Indian Self-Determination and Education Assistance Act of 1974.

Since the beginning of the Indian Education Act, the progress made in Indian Education has eclipsed any progress made in the prior 400 years of Indian and non-Indian contact. The program has been successful in involving Indian parents, Indian students, and educators, in a process which has resulted in; increased academic performance; improved school attendance; higher enrollment in post-secondary and vocational education programs; and, the improvement of cultural and educational understanding within local Indian communities.

Continuing the Indian Education Act will permit the progress being made to continue on an ever esculating basis. It will also permit tribes and tribal organizations to determine educational needs and allow for the necessary financial and human resources to meet and serve these needs. This is vital to our desire to provide a meaningful education for our Indian children and adults which will allow Indian people to chart and follow their own path of progress and prosperity into an uncertain but promising future.

Your support for this most viable program would be greatly appreciated.

Sincerely,

Henry Brockie, Sr., President
Fort Belknap Community Council
Box 39
Harlem, Montana 59526

INTRODUCTION

On January 31, 1983, with the introduction of President Reagan's Administration FY84 budget, T.H. Bell, Secretary of Education announced the phasing out and termination of the Title IV, Indian Education Act. Secretary Bell stated, "In concert with the Administration's overall policy regarding seperate funding for Indains not on Reservations, we are proposing to terminate assistance under the Indian Education Act."

This testimony is being presented on behalf of the more than three thousand members of the Gros Ventre and Assiniboine Tribes of the Fort Belknap Reservation, Montana. Facts have been compiled to show that the present Administration is not only phasing-out and terminating funding for Indians not on Reservations, however funding is being phased-out and terminated for all Indians living on or off the Reservation.

Further, Secretary Bell states, "In this termination of funding, does not mean that Department would cease to provide needed educational services. For 1984, we estimate that over $250 million will be available to benefit Indian students." The Fort Belknap people believe that the key to this phase is "available" and is misleading. Though the funds would be available to Indian people and the Ft. Belknap people, these funds do not address the special, unique cultural and educational needs of Indian children and adults.

Background of Title IV

The Indian Education Act was signed into law as Title IV of Public Law 92-318, the Education Amendments of 1972. This act, which created new educational opportunities for Indian children and adults, was amended by the education amendments of 1974 and 1978.

The Indian Education Act addresses the special educational and culturally related academic needs of Indian children and adults. While significant gains are beginning to be achieved, the American Indian and Alaska Native populations continue to the most economically and educationally disadvantaged segments of our population.

It is still the case that:

-Indian students attend and complete school, and enter and complete higher education, at rates far below their majority counterparts;

-Unemployment rates for Indian adults, and poverty rates for Indian families, greatly exceed rates for the majority population, and;

-Household income is significantly lower for Indian families than non-Indian families.

The Fort Belknap programs of the Indian Education Act recognize that by improving educational status and providing opportunities the cycle of poverty and dependency is broken. The act is implemented by: a) providing supplementary educational services; b) improving the quality of services through program models, curriculum materials and teaching methods, and c) Promoting self-determination by helping Indian citizens to shape and control their own educational programs.

Legal/Historical Basis of Indian Education

The American people and the Congress have long recognized the need to improve the educational status of the American Indian. Virtually every treaty entered into between the Congress and the tribes contained provisions for educational services. This is reaffirmed by Secretary Bell's budget request statement, "Services to federally recognized Tribes living on or near Reservations will continue to be provided by the Bureau of Indian Affairs in recognition of the special relationship between Indian Tribes and the federal government."

In addition, a series of executive orders and congressional acts have sequentially portrayed the commitment of this country to educate its Indian population:

1775 - Continental Congress approves $500 to educate Indian at Dartmouth College;

1802 - Congress approves appropriations not to exceed $15,000 annually "to promote civilization among the savages";

1870 - Federal appropriations of $100,000 authorized to operate federal-industrial schools for Indians;

1879 - Carlisle Indian School established;

1882 - Congress provides that abandoned military posts be turned into Indian schools'

1916 - Uniform courses of study introduced into all Federal Indian schools;

1921 - Snyder Act authorizes program services to Indians through the Bureau of Indian Affairs;

1934 - Johnson O'Malley Act authorizes education, medical and agriculture assistance for Indians;

195[illegible] - Impact Aid/Public School Construction Acts recognize responsibility of federal government to provide financial assistance to public schools educating Indian children whose parents reside on tax-exempt, federal property;

1956 - Congress expands vocational educational program for adult Indians to strengthen the relocation program of Indians;

1960 - President Dwight D. Eisenhower instructs the Secretary of Interior to accelerate efforts to provide Education for all Indian children;

1964 - Economic Opportunity Act provides new programs for Indian participation including Head Start, Upward Bound, Indian Community Action, etc.;

1968 - President Lyndon B. Johnson directs the Bureau of Indian Affairs to establish advisory school boards at all Indian schools;

1969 - Special Senate Subcommittee Report on Indian Education released, recommending increased Indian control of education, creation of an exemplary federal school system, and establishment of a National Indian Board of Education;

1970 - President Richard M. Nixon announces an era of Indian Control over decisions affecting Indians, including the field of education;

1972 - U.S. Office of Education in HEW directed funds to special needs of all Indian students in public schools with 10 or more Indian students;

1975 - The Indian Self Determination and Education Assistance Act allows tribes the right to contract for programs previously administered by the Bureau of Indian Affairs.

The chronology listed above by no means contains all of the actions relative to Indian education but rather gives an historical profile of America's efforts to educate her Indian people.

The federal government has used different approaches to Indian education including the encouragement of mission schools, federally operated schools run by BIA and through encouraging Indian Involvement in public schools and in their own tribally-operated schools. Whatever approaches have been used, the federal government does have a definite responsibility toward Indian education as indicated by constitutional and legal arguments, by legislation and by advancement of the government responsibility for and commitment to Indian education.

Local Impact Due To Loss of Title IV Programs

The impact to the Fort Belknap Reservation due to the loss of the SIX Title IV programs would create a serious shortage of educational services for both Indian children and Indian adults. It would further cause a severe set back in programming and educational advances made over the past six years. It would impact and result in a hardship on social services on and near the reservation. Finally it would represent a major breach of the trust that Indian people have gained in a unique program which has fostered Indian involvement and responsibility for the first time ever.

The loss of Title IV would affect the educational opportunities of Indian children and adults involved in Title IV programs within local school Districts and on/or near the Fort Belknap Reservation. This support ranges from cultural enhancement in the elementary grades to Indian adults enrolled in G.E.D. and Computer Aided Adult Education courses on the Fort Belknap Reservation.

During the past 5 years the Fort Belknap Education Department has assisted over 160 adults in gaining their G.E.D. diplomas. Thers still sxists several hundred people on Fort Belknap who are potential candidates for the Adult Basic Education G.E.D. program. These people will not be able to complete their G.E.D. unless they can afford to travel off the reservation to do so.

The existance of Title IV programs has allowed the Fort Belknap Community Council to create a very effective Education Department which is staffed by well qualified and trained Indian educators. All administrative and Mid-Management positions are occuppied by people with at least a Bachlors Degree level of education plus various related educational experiences. The loss of Title IV would mean that twelve jobs would be lost within the Fort Belknap Education Department. This would effectively destroy the core of the department and eliminate all benefits generated by this administrative and educational branch of the Fort Belknap Tribal Government.

At least 20 jobs would be lost within the Indian Community. These professional positions do not represent merely lost salaries, which in itself has negative impact, but rather it represents the loss of an organizational structure which has evolved and is presently meeting the educational needs of Indian people as determined by Indian people.

In a community where the majority of jobs are funded by Federal Legislation, Bureau of Indian Affairs, and Indian Health Services agencies, the loss of Title IV funded positions represents a loss of substantial earning power and will seriously impact the employment rate in the community.

The contention that other educational funding sources are still available to Indian people for educational services does not have any credibility, in fact many other educational sources have traditionally been denied to Indian peoples. Through bureaucractic red tape. Also, Title IV was created to meet the specific and unique cultural and educational needs of Indian people. No other Federal programs have the regulatory flexibility to be applied to these special needs.

The most severe impact resulting from the loss of Title IV will be the loss of Indian involvement in decision making and administrative responsibilities which were mandated as a critical aspect of this legislation. This grossly undermines the concept and premise of Self Determination as mandated under P.L. 96-638, The Indian Self-Determination and Education Assistance Act of 1974.

Fort Belknap has struggled many years to attain an educational environment in which Indian parents, Indian educators, tribal leaders, and Indian students can and do participate fully in the educational process. Much work and effort has been made to pursuade non-Indian school boards and educators to the fact that Indian needs are best determined and acted upon with meaningful input from Indian people.

The gradual level of trust and cooperation between Indian and non-Indian Community members is dependent in a large part on the existance of active Indian Parent Committees and by the employment of qualified Indian personnel. The loss of Title IV will immediately undo much of what has been accomplished in the past ten years within our school systems and our community.

Although, the Fort Belknap Reservation receives Johnson O'Malley program funds, the amount of funding received does not adequately meet the special and unique educational needs of the Indian children in local schools. These schools have high concentration of Indian students who come from low economic homes and are in a greater need of additional sources of financial assistance.

The Johnson O'Malley program provides services that are similar, however, it does not have the flexibility of the Title IV program. Johnson O'Malley serves only children between 3 - 20. The Title IV program flexibility and versatility allows Fort Belknap people and their tribal organizations to assume a greater responsibility for the direction of their own educational programs than does Johnson O' Malley.

The structure of the Fort Belknap Reservation is such that it is not self-supporting to its residents. The reservation depends on and needs federal monies to provide educational opportunities, employment, and support to tribal government.

RECOMMENDATIONS

1. That the Fort Belknap Community Council and members of the Fort Belknap Community strongly advocate for the continued operation of Title IV, Indian Education Act, and for funding to be disbursed at sufficient levels to meet the educational needs of the Fort Belknap people from the Federal level and not from alternative sources.
2. That the Fort Belknap Community Council supports a supplemental appropriations bill in the amount of $13,090,104 for FY83 level of spending. Further, the Fort Belknap Community Council asks for the support of Montana Congressional Delegates, National Indian Organizations, and appropriate Congressional Committees in the efforts toward supplemental appropriation.
3. That the Fort Belknap Community Council and the people of Fort Belknap opposes President Reagan's FY84 budget request for the Indian Education Act, Title IV of $1.23 million for closure of the Indian Education office. That the Fort Belknap Community Council asks for the support of the Montana Congressional Delegation, National Indian Organizations and appropriate Congressional Committees in the effort to increase the FY84 budget from $1.23 million to $77,688,104.

4. That, while the mission, function and scope of Title IV remain intact, this should not be used to jeopardize the existance of services provided through the Johnson O'Malley program, given that the recently completely GAO study reported no duplication of programmatic functions or services by these programs.

CONCLUSION

In summary the Fort Belknap Community Council and the people of Fort Belknap opposes the phase-out and termination of the Title IV, Indian Education Act as is being proposed by the Reagan Administration and Department of Education. This phase-out and termination does not, in any legal or other way, reflect the intention and spirit of P.L. 96-638, the Indian Self-Determination and Education Assistance Act of 1974.

Since the beginning of the Indian Education Act, the progress made in Indian Education has eclipsed any progress made in the prior 400 years of Indian and Non-Indian Contact. The program has been successful in involving Indian Parents, Indian Students, and educators, in a process which has resulted in; increased academic performance; improved school attendance; higher enrollment in post-secondary and vocational education programs; and the improvement of cultural and educational understanding within local Indian communities.

Continuing the Indian Education Act will permit the progress being made to continue on an ever esculating basis. It will also permit tribes and tribal organizations to determine educational needs and allow for the necessary financial and human resources to meet and serve these needs. This is vital to our desire to provide a meaningful education for our Indian children and adults which will allow Indian people to chart and follow their own path of progress and prosperity into an uncertain but promising future.

APPENDIX A--ANALYSIS OF
EFFECTS OF TITLE IV CUTBACKS
DODSON SCHOOL DISTRICT 2A, C

PROGRAM	CURRENT SERVICES	1982-83 BUDGET	TOTAL NUMBER EFFECTED
Elementary and High School	1. ACADEMIC TUTORING Academic tutoring for Indian students in grades K-8. Certified teacher at 1/2 time to tutoring activities. Third year of program activity - very successful. LOSS: The Indian students would be denied the special assistance and time this program has given them. Grades would suffer - leading to possible drop-out situation for some.	$10,160.	20
	2. ACADEMIC COMPUTER PROGRAM Computer education program in Math, science, spelling. Use of Apple II computers to assist students in academic areas. General introduction to computer science, etc. LOSS: Indian students will be denied access to comprehensive computer education. This is a vital area of educational growth in the future. LOSS: 1/4 time Title IV program coordinator (local Indian parent)		20

PROGRAM	CURRENT SERVICES	1982-83 BUDGET	TOTAL NUMBER EFFECTED
	3. PHYSICAL FITNESS Title IV funds provide for athletic equipment for Indian children. Expanded physical fitness and education program. LOSS: Will limit growth and current upgrading of physical fitness program.		30
	4. PARENT COMMITTEE Title IV provides for involvement of Indian parents in planning and carrying out programs within the School District. LOSS: It took five years to gain acceptance of Title IV programs by non-Indian teachers and school board members. This endeavor plus enthusiasm of Indian parents will be lost.		
		TOTAL NUMBER SERVED	70

EFFECTS OF TITLE IV CUTBACKS
HARLEM SCHOOLS DISTRICT NO. 12

PROGRAM	CURRENT SERVICES	1982-83 BUDGET	TOTAL NUMBER EFFECTED
Elementary and High School	1. ADMINISTRATIONAL STAFF The Title IV project employs: 1 - Title IV Program Director 1½ - Full-time Tutors ½ - Time Secretary 1 - Full-time Home School Coordinator LOSS: Will mean loss of services to students under various service components of project. Loss of 4 salaried postions.	$65,632.	4
	2. TUTORIAL PROGRAM Provides tutoring services to grades K-12 for Indian students. Has helped raise grade points of individual students by up to 1 grade point per subject. LOSS: Students will have little if any assistance without this project. Many Indian students in crowded classroom situations - teachers unable to provide individual assistance to all.		378

PROGRAM	CURRENT SERVICES	1982-83 BUDGET	TOTAL NUMBER EFFECTED
	3. CURRICULUM DEVELOPMENT Project staff responsible for developing cultural curriculum and teaching an Indian studies class. Also have active Indian Cultural Club. LOSS: Indian students denied access to curriculum and study of their native cultures. Lack of these activities harm self esteem, identity, etc.		378
	4. HOME SCHOOL COORDINATOR Home school coordinators improve communications between school and family. Assist in solving individual problems and encourage parental participation in school activities. LOSS: Will leave a communication gap between school and students families. This program has provided much assistance to both school and families.		378
	5. INDIAN PARENT COMMITTEE Current committee has good representation from parents, students, teachers. Has developed into an on-going and accepted part of the school scene. Has increased involvement of Indian parents in educational process. LOSS: Would exclude many Indian parents from their only channel of communications with the school system.		
		TOTAL NUMBER SERVED	432

EFFECTS OF TITLE IV CUTBACKS

HAYS/LODGE POLE SCHOOL DISTRICT NO. 50

PROGRAM	CURRENT SERVICES	1982-83 BUDGET	TOTAL NUMBER EFFECTED
Elementary and High School	1. ADMINISTRATION AND STAFF Title IV employs 1 full-time Music Instructor. Program activities administration is provided by school administration and parent committee. LOSS: Would eliminate music program 2. CULTURAL LIBRARY PROGRAM Title IV provides for addition of cultural reading materials to school library. Materials used in classroom and for student reading. LOSS: Would deny students access to cultural reading and curriculum materials 3. MUSIC PROGRAM Provides music instruction and development of school band. Allows for rental of music instruments and salary for music instructor. LOSS: There would be no music instructor or school band	$42,997.	275

PROGRAM	CURRENT SERVICES	1982-83 BUDGET	TOTAL NUMBER EFFECTED
	4. INDUSTRIAL ARTS/HOME ECONOMICS. Provides for costs of materials for industrial arts and home economics LOSS: These classes may need to be discontinued due to costs of materials needed to conduct them		80
	5. DRILL TEAM Provides cost for drill team uniforms LOSS: Not immediate but would eventually need new uniforms		
	6. CAREER INFORMATION Provides for career awareness activities including travel to a college campus, speakers, career counseling information LOSS: Students would lack proper career awareness opportunities		40
	7. INDIAN STUDIES Provides funds for curriculum development and Indian Studies classes, utilizes local Indian consultants. Printing of Indian curriculum/newsletter, arts and crafts		275

PROGRAM	CURRENT SERVICES	1982-83 BUDGET	TOTAL NUMBER EFFECTED
	LOSS:		
	Would eliminate the Indian Studies Program		
	8. PHYSICAL EDUCATION		
	Provides for purchase of PE uniforms for needy Indian students. Purchase of gymnastics equipment		40
	LOSS:		
	Would prevent some needy Indian students from participating in physical fitness activities and gymnastics		
	9. INDIAN PARENT COMMITTEE		20
	Allows involvement of Indian parents in planning, administration, and other aspects of project. Increases interest in school and improves awareness of educational objectives, etc.		
	LOSS:		
	There would be little parental involvement		
		TOTAL NUMBER SERVED	295

EFFECTS OF TITLE IV CUTBACK
FORT BELKNAP ADULT EDUCATION PROJECT

PROGRAM	CURRENT SERVICES	1982-83 BUDGET	TOTAL NUMBER EFFECTED
Fort Belknap Adult Education Project	1. Provide a comprehensive G.E.D. program for Fort Belknap Adults who wish to complete the High School Equivalency Program. This project has provided 160 G.E.D. graduates to date. LOSS: Most Indian people would not have an opportunity to complete a G.E.D. program without this project.	$131,304.	30
	2. Adult Basic Education Course of Instruction is provided to all adult members on or near Fort Belknap. Curriculum includes: Language Arts, Math, Natural Sciences, Social Services, and reading. LOSS: There exists no other accessable Adult Basic Education Instructional Programs on Fort Belknap. People will have to do without this educational opportunity.		70
	3. This A.B.E. project provides counseling and placement services for G.E.D. and A.B.E. students. This service has provided many people with opportunities to enter vocational fields, Higher Education Programs, or employment.		200

PROGRAM	CURRENT SERVICES	1982-83 BUDGET	TOTAL NUMBER EFFECTED
	LOSS: There will be no counseling or career educational services for adults on Fort Belknap.		200
	4. The A.B.E. project provides consumer education and life coping skills activities to at least 200 Indian adults during the project year.		
	LOSS: There would be no such educational services on Fort Belknap.		
	5. The A.B.E. project provides a comprehensive farming/ranching educational program for local Indian operators.		75
	LOSS: This program has been very beneficial to many small ranchers and farmers. The program extends the existing function of the local county extension office.		
	6. The A.B.E. project conducts educational workshops and training for Indian people, educators, parents and others. Assist in sponsoring a Reservation-wide Education Conference.		200

PROGRAM	CURRENT SERVICES	1982-83 BUDGET	TOTAL NUMBER EFFECTED
	LOSS: All benefits of A.B.E. project and activities of staff which contribute to educational environment will cease to exist.		
	7. Administrational Staff The F.B.A.E.P. employs: 1 - Coordinator 3 - Full-time certified G.E.D. Instructors 1 - Secretary ½ - Fiscal Officer 5½ - Staff LOSS: Loss of jobs and loss of educational opportunities for Indian adult population.		5½
		TOTAL NUMBER EFFECTED	775

EFFECTS OF TITLE IV CUTBACK
FORT BELKNAP COMPUTER AIDED INSTRUCTIONAL DEMONSTRATION PROJECT

PROGRAM	CURRENT SERVICES	1982-83 BUDGET	TOTAL NUMBER EFFECTED
Title IV, Part C Computer Aided Instructional Demonstration Project	1. Program provides computer training for A.B.E./G.E.D. students. Comprehensive course of computer technology, computer instruction, programming, classroom methods, etc. LOSS: Will eliminate the opportunity for Indian educators and students to enter the high tech era of educational application of computer learning and instruction.	$84,765.	70
	2. Project provides "Farm and Ranch Management" computer instructed component which promises to be beneficial as learning tool and as practicial experience for local Indian ranchers and farmers. LOSS: Local farmers and ranchers will lose opportunity to enter computer aided management era, which will harm management efficiency, profitability, etc.		50
	3. The project is developing A.B.E./G.E.D. curriculum models which will be used as demonstration of Computer Aided Instruction. This is a totally new approach to Indian Education in the A.B.E./G.E.D. area.		

PROGRAM	CURRENT SERVICES	1982-83 BUDGET	TOTAL NUMBER EFFECTED
	LOSS: This may represent a loss of a potentially beneficial and innovative approach to education. It represents a return to education without progress and for adults on Fort Belknap, maybe no educational opportunities will exist at all.		
	4. Development of "Small Bussiness & Enrichment Computer Program" which will be offered along with regular scheduled programs of instruction.		100
	LOSS: Indian people will loose opportunity to benefit from computer technology and application in their private and business environments, which are already the most deprived in the country.		
	5. Administration/Staff		
	1 - Computer Consultant/Programmer expert		1
	3 - ABE/GED staff (participants)		3
		TOTAL NUMBER SERVED	424

EFFECTS OF TITLE IV CUTBACKS
FORT BELKNAP CURRICULUM DEVELOPMENT PROJECT

PROGRAM	CURRENT SERVICES	1982-83 BUDGET	TOTAL NUMBER EFFECTED
Title IV, Part B Curriculum Development Project	1. Development of cultural curriculum for use in local public schools to benefit Indian children. LOSS: Will demonstrate the loss of the opportunity of Indian children to identify and learn culturally relevant subject matter. No other programs within systems can replicate these efforts being made.	$161,164.	100
	2. Preservation of cultural materials by recording of stories, legends, and information provided by existing tribal elders. LOSS: Without continued recording of materials much information will pass on with the elders if opportunities to record information do not exist.		100
	3. Development of audio/visual curriculum media aids and materials provide added learning potential to existing curriculums. LOSS: Indian children will be denied cultural media.		400

PROGRAM	CURRENT SERVICES	1982-83 BUDGET	TOTAL NUMBER EFFECTED
	4. Project provides technical assistance and in-service training for teachers and consumers of curriculum products. LOSS: Teachers of Indian children would have no assistance in developing teaching strategies for use of cultural curriculum materials.		40
	5. Administration/Staff Project employs: 1 - Coordinator 2 - Curriculum Media Specialists 1 - Artist/Illustrator ½ - Secretary ½ - Fiscal Officer 5 - Full-time staff positions LOSS: Loss of employment and loss of benefits of project activities.		5
		TOTAL NUMBER EFFECTED	945

APPENDIX B

FY84

IMPACT TO FORT BELKNAP RESERVATION ON LOSS OF TITLE IV

	Children/Adults Effected	Loss of Employees	Amount of Funding Lost
Hays/Lodge Pole	295	1	$ 42,997.
Harlem Schools	432	4	65,632.
Dodson Schools	70	½	10,160.
Adult Education Project	775	5½	131,304.
Curriculum Development Project	945	5	161,164.
Computer Aided Instruction	424	4	84,765.
TOTAL----------	2941	20	$ 496,022.

* Figures based on FY82

APPENDIX C

FIGURE 1. Map of The Fort Belknap Indian Reservation

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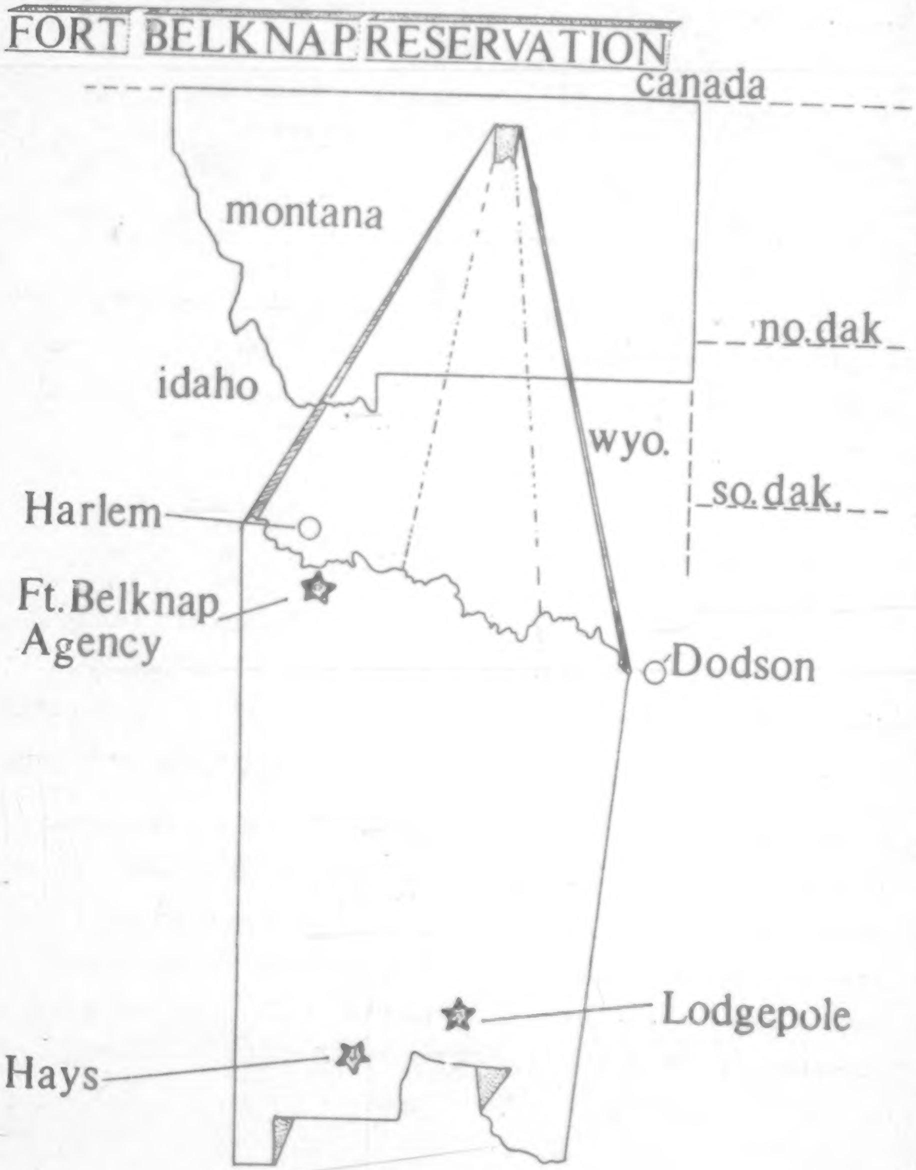
FORT BELKNAP RESERVATION
canada
montana
no.dak
idaho
wyo.
so.dak.
Harlem
Ft.Belknap Agency
Dodson
Lodgepole
Hays

/

The Fort Belknap Indian Community (Tribal Council) was organized in 1935 and now operates under a constitution approved under the terms of the Indian Reorganization Act of 1934 and the 1975 Self-Determination Act. The Community Council is made up of six Gros Ventre and six Assiniboine that are elected from reservation districts according to the number of enrolled members living in these districts.

C. Reservation Educational System:

****

Indian children attend public schools at Harlem, Dodson, Hays, Lodge Pole, and off-reservation boarding schools. There is one mission school, St. Paul's at Hays, on the reservation and a new high school was recently constructed at Hays.

D. Fort Belknap Economic and Employment Profile:

****

The Fort Belknap Reservation suffers from a lack of sufficient resources to provide an adequate living for all its residents. Fort Belknap is first in unemployment, first in poverty, last in educational achievement, and usually the forgotten reservation in Montana when programs are instituted on reservations.

THE FORT BELKNAP INDIAN RESERVATION HAS THE HIGHEST RATE OF UNEMPLOYMENT AMONG THE SEVEN RESERVATIONS in the State of Montana and is virtually undeveloped in every aspect. We are, therefore, heavily dependent upon federally subsidized programs to alleviate this problem. The Fort Belknap Indian Community Council intends to use the funds obtained under this project to develop a GIFTED AND TALENTED DEMONSTRATION PROJECT FOR INDIAN CHILDREN.

The average income of eligible participants on the Fort Belknap Reservation is below $5,000. Out of the total population of 1,859 the total number of unemployed fluctuates between a low of 40% to a high of 75% depending upon the season of the year. The reasons for a such a high unemployment rate at Fort Belknap are lack of any type of economic development, the recent federal budget cuts, education, and lack of financial backing for Indian operators in the cattle and farming industries. Due to a lack of economic development, there is a critical skill shortage in virtually every type of occupation other than common labor.

AS OF OCTOBER 1, 1982, THE UNEMPLOYMENT LEVEL WAS OVER 65%. The following statistics (which are the latest and most reliable data available) will provide the reader with a clearer picture of the Fort Belknap Indian Reservation's economic, educational, and unemployment situation.

(1) Income:
******

52% of the reservation resident's income is below $4,999. (Median income for reservation is $4,859.); median income for males 16 years and older is $4,469.; and females 16 years and older with no income is 40.3%. All income statistics reflect that Fort Belknap is the lowest among the seven reservations in Montana. (Source: Standard Metropolitan Statistical Area, 1980 U.S. Census.)

(2) Poverty Status:
****

68.1% or 1,111 persons in 1979 on the Fort Belknap Reservation were below the poverty level. 61.5% of the families were below the poverty level and 71.9% had an income below $7,000. Again, these statistics are the lowest in the state which indicates that the residents are the poorest in the state. (Source: 1980 U.S. Census and 1978 Tribal Statistics.)

(3) Education Level:
****

Only 19.9% of the Indian population on the Fort Belknap Reservation have completed high school, which is the lowest in the state. In a recent adult education needs assessment, 59% of the adult population lacked a high school diploma or a G.E.D. certificate. (Source: 1977 Tribal Statistics.)

(4) Employment:
****

The unemployment level of reservation residents has varied from 60% unemployment (416 of which 216 are male and 200 female) in 1969 to 58% in March of 1976 (165 male and 176 females). The unemployment level as of July 7, 1979, was 57.21% (240 male and 215 female). (Source: Bureau of Indian Affairs, July 1979.)

As the reader can see, poverty, low educational attainment and unemployment are prevalent problems on the Fort Belknap Reservation. Other statistics on crime, delinquency, housing, and health all indicate that Fort Belknap is in need of educational programs that will help us meet the needs of our people.

It is only through programs administered by Tribal government and Indian organizations that Indian self-determination will truly become a reality. Indian organizations are quite capable of meeting our educational needs, and it is by this philosophy that the Fort Belknap Community Council administrates and conducts educational programs.

APPENDIX D--RESOLUTIONS

Resolution No. ______________

Fort Belknap Community Council

WHEREAS, the Fort Belknap Indian Community Council is the governing body of the Gros Ventre and Assiniboine Tribes of the Fort Belknap Indian Community, Fort Belknap Indian Reservation, Montana, by the authority of the Constitution and By-Laws of the Fort Belknap Tribes approved on the 13th day of December, 1935, and

WHEREAS, under the Constitution and By-Laws of the Fort Belknap Indian Community, the Community Council is charged with the duty of protecting the health, security and general welfare of the Fort Belknap Indian Community, and

WHEREAS, the Fort Belknap Community Council has the responsibility to promote, develop, and advance the educational opportunities of the people of Fort Belknap, and;

WHEREAS, between FY81-83 P.L. 92-318, the Indian Education Act, Title IV, has experienced a 16.8% or $13,090,104 budget cut in Parts A,B, and C, and;

WHEREAS, the Reagan Administration has recommended that Title IV funding be eliminated for FY84, and;

WHEREAS, the decreased funding in Title IV has created a negative impact on the educational opportunities available to members of the Fort Belknap Indian Reservation, and;

WHEREAS, continued administrative fiscal policy ensures the termination of Title IV by FY85, now.

THEREFORE BE IT RESOLVED, that the Fort Belknap Community Council requests the support of the Montana Congressional Delegates, National Indian Organizations, and appropriate congressional committees, in an effort to gain supplemental appropriations in the amount of $13,090,104 for FY83.

ATTEST:

Henry Brockie, Sr., Chairman

George H. Snell, Jr., Secretary

CERTIFICATION

I, the undersigned, as Secretary of the Fort Belknap Community Council of the Fort Belknap Indian Reservation, do hereby certify that Fort Belknap Community Council is composed of_____members of whom_____members, constituting a quorum were present at a meeting thereof duly and regularly called, noticed, convened and held this _____day of __________, 1983; and that the foregoing resolution was adopted by the affirmative vote of _____ for; _____ not voting; _____absent; _____opposed; and that the said resolution has not been rescinded in any way.

DATE:______________________

George H. Snell, Jr., Secretary

Resolution No. ______________

Fort Belknap Community Council

WHEREAS, the Fort Belknap Indian Community Council is the governing body of the Gros Ventre and Assiniboine Tribes of the Fort Belknap Indian Community, Fort Belknap Indian Reservation, Montana, by the authority of the Constitution and By-Laws of the Fort Belknap Tribes approved on the 13th day of December, 1935, and

WHEREAS, under the Constitution and By-Laws of the Fort Belknap Indian Community, the Community Council is charged with the duty of protecting the health, security and general welfare of the Fort Belknap Indian Community, and

WHERAS, the Reagan Administrative has requested to the Congress of the United States through its budget process that P.L. 92-318, the Indian Education Act, Title IV be losed out for FY84, this is represented by the $1.23 million appropriations, and

WHEREAS, a reduction in the funding level of Title IV at this time would seriously impair capacity of the Fort Belknap Reservation to respond to the still unmet educational needs of the Fort Belknap children and adults, and

WHEREAS, the Title IV Programs can contribute to the decrease of Indian student dropout rate, increase of number of youth attending college and increase the number of Indian teachers, Indian lawyers, and other Indian professionals, and

WHEREAS, the Title IV Programs represents educational support of Indian Tribe's goals of developing Reservation based, culturally amenable instructional programs for all populations segments, pre-school to adults.

WHEREAS, the Title IV funds have enabled many educational institutions to hire staff, purchase instructional materials, and offer educational activities that American Indians would otherwise be unable to receive.

THEREFORE BE IT RESOLVED, that the Fort Belknap Community Council opposes President Reagan's FY84 budget request for the Indian Education Act, Title IV of $1.23 for closure of the Indian Education Office, and

THEREFORE BE IT FURTHER RESOLVED, the Fort Belknap Community Council asks for the support of the Montana Congressional Delegates, National Organizations and appropriate Congressional Committees in the effort to increase the FY84 budget request for $1.23 million to $77,688,104.

ATTEST:

______________________	______________________
Henry Brockie, Sr., Chairman	George H. Snell, Jr., Secretary

CERTIFICATION

I, the undersigned, as Secretary of the Fort Belknap Community Council of the Fort Belknap Indian Reservation, do hereby certify that Fort Belknap Community Council is composed of ______ members of whom ______ 12 members, consituting a quorum were present at a meeting thereof duly and regularly called, noticed, convened and held this ______ day of ____________, 1983; and that the foregoing resolution was adopted by the affirmative vote of ______ for; ______ not voting; ______ absent; ______ opposed; and that the said resolution has not been rescinded in any way.

DATE______________________

____
George H. Snell, Jr., Secretary

Ft. McDowell Mohave-Apache
Indian Community
P.O. Box 17779
Fountain Hills, Arizona 85268

TESTIMONY OF THE FORT MCDOWELL TRIBE BEFORE THE SENATE SELECT COMMITTEE ON INDIAN AFFAIRS

The Fort McDowell Tribe would like to submit the following testimony in support of the continued funding of our early childhood program.

We have been informed that our tribal Kindergarten, Preschool, and Parent-Infant early childhood programs will close in June of fiscal year 1983 due to current budget cuts. We are excluded from the Department of Interior budget for fiscal year 1984. There will be no school at Fort McDowell. There will be no education for our children. We have been dropped. As a result, our children will run unattended on the reservation until they are six years old. Then they will be bussed 50 miles to a first grade in Mesa to a traditional suburban white school. They will be expected to conform to the majority society culture without preparation.

The Fort McDowell School serves all the young children of the Fort McDowell Reservation aged 0-6. Forty-nine children are currently in the program (total reservation population is 390). This parent initiated program began in 1974. Prior to this time, children were dumped into first grade in a traditional school system a one hour bus ride away from their isolated reservation home. Between 1967 and 1974, the primary school drop-out rate from Fort McDowell was 66%.

The Fort McDowell educational program has been a model project for the past nine years. Prior to the school's inception, the young children of the reservation were set up for failure in the traditional primary schools. The confusion and cultural shock of the Indian children is evidenced in pass-retention performance. In the years after the early childhood program has been established (1975-1982), of the 48 graduatesof the program, NONE has been retained in first grade. Compared to the 1967-1974 statistics of 56 Fort McDowell total first grade entrants - 27 passed and 29 were retained. Before the school's inception, more than half of Fort McDowell children failed first grade. Current primary drop-out rate is 0.

Additional data (November 1982) shows that the Fort McDowell program emphasizing a cognitive back to basics approach, had much positive impact upon successful performance in public school in the areas of Grammar (Language Arts), Math, and Reading. Fort McDowell graduates scored above the national average in all areas and significantly above average in Grammar scoring at an 8 Stanine level. Currently, all Kindergarten children are reading (February, 1983). Two Fort McDowell children from the 1982 graduating Kindergarten class have skipped first grade and gone on to second grade in the traditional public school system. The Fort McDowell early childhood program has prepared the young children to not only weather their encounters with public education but to enable many to thrive in the majority society yet preserving their cultural heritage.

For the past five years the Fort McDowell School was funded at an $85,000 level - 100% under the Department of Interior, Bureau of Indian Affairs, Community Education 638 Contract. Implications of the zero funding level slapped to us are:

1. School closure - no education program at Fort McDowell
2. Probable increased primary school drop out
3. Lack of preparation for first grade school entrance resulting in the destructive cycle of dropping out, getting into serious trouble, being shipped off to boarding schools.
4. Increase the need [illegible] Special Education service in public school.
5. Increase delinqency
6. Decrease in lifetime earnings - less will graduate from high school.

The Fort McDowell Reservation is asking that funding be restored in 1984. Alternative sources of funding such as Head Start and Bureau of Indian Affairs Social Services have proved inoperative. Head Start-Migrant and Indian Programs have informed us that there is a moratorium on funding from there; no new programs. Department of Interior, Bureau of Indian Affairs recommended that Social Services take over the program - just absorb us ; NO additional monies alloted.

It should be emphasized that the Fort McDowell School is NOT a day-care social service type program. It is a cognitively oriented curriculum with a back to basics focus on reading, math and language arts in a developmental approach to learning. Primary objectives include increased public school achievement and lowering of the drop out rate. Both objectives have been continually achieved at Fort McDowell. Please restore our funding!

Thank you for your patience, support, and cooperation.

Sincerely,

Ben Kill

Ben Kill
Fort McDowell Tribal President

HALIWA-SHAPONI INDIAN TRIBE INC
PO BOX 99
HOLLISTER NC 27844

Western Union Mailgram

4-0373338053 02/22/83 ICS IPMMTZZ CSP WSHB
9195864017 MGM TDMT LITTLETON NC 45 02-22 0317P EST

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HONORABLE MARK ANDREWS CHAIRMAN
SENATE SELECT COMMITTEE
6313 DIRKSEN BLDG
WASHINGTON DC 20515

WE REQUEST YOU OPPOSE THE ELIMINATION OF ANA FUNDING TO OFF RESERVATION TRIBES AND OPPOSE THE TRANSFER OF ANY PART OF ANA PROGRAM TO BIA

W R RICHARDSON
CHIEF
HALIWA-SHAPONI INDIAN TRIBE

15:19 EST

MGMCOMP

TO REPLY BY MAILGRAM MESSAGE, SEE REVERSE SIDE FOR WESTERN UNION'S TOLL - FREE PHONE NUMBERS

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PHOENIX SERVICE UNIT
INDIAN HEALTH
ADVISORY BOARD, INC.

1983 MAR 21 AM

March 11, 1983

Senator William S. Cohen
Select Committee on Indian Affairs
6313 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Cohen:

Enclosed is a written statement concerning the Fiscal Year 1984 appropriation for the Indian Health Services.

Our statement addresses the issues of: Medicare/Medicaid reimbursement to Indian Health Services, other third party reimbursement, Community Health Representatives Program, the Phoenix Indian Medical Center, and Contract Health Care. We feel that these issues are particularly pertinent to the future funding considerations to the Indian Health Care System.

We would have preferred to have address our issues with you in person during the recent appropriation hearings on the Indian Health Services budget, however, we felt it was more fiscally prudent to present our concerns in a written format. We trust that our comments will provide you with some insights into our problems and how we may solve those problems.

If you should have any questions or wish any clarification, please do not hesitate to call upon us.

Sincerely,

Perry Sundust

Perry Sundust
Chairman

Enclosure

cc: Board of Directors
Dennis P. Bayless
Chrono

CONCERNS ABOUT THE FISCAL YEAR 1984 APPROPRIATIONS FOR INDIAN HEALTH SERVICES

PHOENIX SERVICE UNIT
INDIAN HEALTH BOARD, INC.

MARCH 11, 1983

Perry Sundust, Chairman - Gila River District 7
Virginia Mott, Vice-Chairman - Port McDowell Mohave/Apache Tribal Community
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Jeri Johnson, Member - Payson Tonto Apache Indian Community
Dewey Ortega, Member - Gila Bend Papago Indian Community
Ted Vaughn, Member - Yavapai-Prescott Indian Community
Nathaniel Russell, Member - Yavapai-Apache Community

The Phoenix Service Unit Indian Health Board, Inc., (PSUIHB) is presenting this paper with the purpose of providing responsible Indian input into the Congressional Budgetary process. The PSUIHB has been in existence since 1968 and was created by Indian Health Services and the seven tribal communities which make up the Phoenix Service Unit. (Gila River Indian Community District 6 & 7, Fort McDowell Mohave-Apache Tribal Community, Salt River Pima-Maricopa Community, Payson Tonto Apache Indian Community, Gila Bend Papago Indian Community, Yavapai-Prescott Indian Community, and Yavapai-Apache Community) In our capacity as an Indian Health Board for the Phoenix Service Unit our mission is to insure that the Indian people served by the Indian Health Care System have health care which is accessible, is of high quality and is culturally sensitive.

In the past years the increases in cost of health care has far out-stripped the increases in the resources available to provide health care to Indian people. While the cost of providing health care has increased in both the private and public health care sectors, only the private (non-governmental) health care system has been able to position itself to cope with this accelerating cost of care. The Indian Health Services, which has been the prime provider of care, has not had the flexibility to capture the same type of resources available to the private sector and this has put the Indian Health Care System at a serious disadvantage.

A prime example of the problem facing our health care system is that PL 94-437 The Indian Health Care Improvement Act, which is due for reauthorization in 1983, restricts the use of Medicare funds collected by Indian Health Service. Collected Medicare money has been restricted by PL 94-437 to be used to meet structural deficiencies such as those found by the Joint Commission on Accreditation of Hospitals (JCAH). We recognize the tremendous importance of JCAH standards, however, it would seem that priorities are misplaced when our Indian people in rural communities do not have access to the facilities due to lack of transportation money. It would seem more appropriate to allow tribes to utilize some of these funds in order to meet their needs. There are other problems to be noted with the collection of third party reimbursement.

There has never been an incentive for the Indian Health Services to fully capture third party dollars in the past. The recent action in the FY 1983 Budget to include $5,000,000 in Medicare money to make up the Indian Health Services budget has placed another disincentive to the aggressive pursuit of other resources. The fear that Congress will place more and more responsibility on Indian Health Services to make up their budget with third party collections is being expressed by both employees within Indian Health Services and the Indian Tribes. We share this concern and strongly recommend that all third party collections be utilized to strengthen the Indian Health Care System and not to take the place of the Congressional appropriations for Indian Health Services budget.

A second impediment to utilizing all other resources, is that once third party dollars are collected, they are not controlled at the local level, instead these funds are used by the Indian Health Services Headquarters to meet their priorities. If these funds were put back into the control of the local tribal governments to be utilized for health care it would greatly enhance the incentive to collect funds and allow the respective Indian Communities to better regulate their own health care system.

One last problem we wish to bring to your attention concerning third party reimbursement is the current status of the State of Arizona's new Medicaid experiment, the Arizona Health Care Cost Containment System (AHCCCS). We are presently under the distinct impression that our Indian people who reside on federal reservations are being systematically left out of the AHCCCS program. Our Indian people have not only been confused by the complex system, but in some cases they have been written out of the system. It seems that the State of Arizona wishes to allow our reservation based people to participate only to the extent that AHCCCS is fully reimbursed by federal funds. In those portions of the program where there is Federal, State and County participation in the cost of care Indians are not being allowed to enroll in the program and have been singled out for exclusion, it seems that the State of Arizona has declared these Indians to be the responsibility of Indian Health Services.

Our brief discourse on other resources should not be misinterpreted that we do not see a clear trust responsibility for the federal government to provide health care to Indian people. It is our belief that all resources should be made available to Indian people on an equal basis with all citizens of the State.

It has become common for various federal agencies to point out the "tremendous" increases in the Indian Health Care budget in past years. However, it would seem that their analysis are lacking, due to the fact that the Indian Health Care Budget has never been at a level which has even closely approximated the amount needed to address our health care needs. However, we have seen some significant strides made in the health status of the Indian people in the past decade. Given these improvements in the health of the Indian people, it makes good sense to continue to provide quality health care on all levels and not to allow the Indian health status to lose ground.

Some of the greatest improvements in health care have come through programs in sanitation and preventive medicine. However, we are now experiencing a retreat from these approaches by the Indian Health Services. In a time when the incidence rate of shigella, diarrhea and tuberculosis far exceeds the non-Indian incidence rate, we can not understand the logic of shutting off sanitation construction on the federal reservations.

The Indian Health Care Improvement Act was presumably designed in order to bring the health care status of Indian people to the same level as the general population. In order to begin to meet this goal the efforts to continue improvement of sanitation on reservations is essential.

In our local communities the morbidity rates for hypertension, diabetes, and renal failure are at an alarming rate. These diseases could be either prevented or controlled through better and healthier living. Once again though, the Preventive aspect of the federal Indian health care budget is being wiped out. A prime example, is the Community Health Representative which has been instrumental in the delivery of preventive, as well as direct health care to our rural based population.

The Community Health Representative Program has been the one program available to the tribes which has delivered essential health care to Indian people. Last year the tribes came to Congress and expressed a strong desire to see that the Community Health Representative Program be retained, and we are thankful that Congress did continue the program. However, we are aware that once again the Administration's Budget Request did not include the Community Health Representative Program. We therefore, request that you once again provide funding for this essential program and that those provisions not be less than the FY 1982 funding level of $28.8 million.

In 1982, our health care system was thrown into disarray due to inadequate funding in the Indian Health Services Budget and the inability of Indian Health Services to attract and capture additional resources. We call to your attention the problems which have been created in past years and have compounded on a yearly basis by the annual Pay Act for federal personnel. Each year Indian Health Services must go to you and ask for supplemental funding in order to cover the additional cost of personnel, which has been created by the Pay Act, but is not funded in regular appropriations. The supplemental funding is not included in the following years Indian Health Services budget base and as can be seen our health care system is being eroded away by such a practice. When you couple this erosion of the Indian Health Services budget along with the accelerated cost of health care the Indian people have less and less available to them each year for health care.

In particular, the erosion of real health care dollars has heavily impact the Phoenix Indian Medical Center (PIMC). In FY 1982, PIMC was forced to cut the number and type of services provided. Early in FY 1982 the PIMC was forced to close 24 beds due to a lack of funds to hire personnel. On September 30, 1982 there were 52 vacant positions at the PIMC and the majority were nursing personnel. This lack of nursing personnel has thrown the system into a vicious cycle. The cycle moves like this; with less nurses to staff the floors of PIMC a greater load is put on those nurses still available forcing an overload on them. In turn nurses become dissatisfied and demoralized and seek other positions outside of the federal system, causing even a greater shortage. Thus, we have less staff to provide care and the quality of care suffers along with the quanity of care provided. The PIMC is projecting a $2,600,000 deficit in FY 1983, based on historical cost and no increase in the FY 1982 funding level. In order for this projected deficit at PIMC to be covered, PIMC would be forced to eliminate 80 additional positions.

It is projected deficits such as this that are destroying the quanity and quality of care delivered by Indian Health Services. These cut backs at PIMC have forced Indian Health Services to go into the private sector in order to deliver even the most basic services through the Contract Health Care Budget.

Expenditures in the Contract Health Care Budget has risen dramatically in the past years. In FY 1980 the Phoenix Indian Medical Center expended $4,549,431 and $6,406,542 in FY 1982, this represents a 41% increase in obligations in two years. The Contract Health Care Budget has not only not kept pace with increasing cost, but it has drastically lost its real buying power. Our Indian people have no other resources to tap for health care when Indian Health Services is unable to deliver needed care and we are being subjected to medical decisions being made on financial criteria. A case in point was the Phoenix Area of Indian Health Services' decision to not pay for End Stage Renal Dialysis, due to the expenses associated with care. After much work by the respective tribes a temporary restoration of this life saving health care treatment has been granted pending future Indian Health Services allocations.

Given level funding for FY 1982 and FY 1983 the Indian Health Care System will continue to slide down hill. We realize that in these times of staggering budget deficits and federal cut backs everyone must share the burden, however, it is our opinion that when Indian Health Services is cut back at the same rate as other federal programs the Indian people are being forced to shoulder more than their share. The Indian Health Services has never fully been able to meet the federal trust responsibility for health care and any further erosion is a breach of that responsibility.

KEWEENAW BAY INDIAN COMMUNITY

1983
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HELENE C. WELSH

RECEIVED MAR 0 9 1983

TO: Senate Slect Committee on Indian Affairs

FROM: Keweenaw Bay Indian Community

DATE: March 3, 1983

SUBJECT: Testimony - Education

Please find enclosed an addendum to the Testimony of Tribal Chiarman, James St. Arnold, Given on February 24, 1983.

TESTIMONY

Education

Over the past six or seven years the drop out rate in Baraga County, (L'Anse Township Schools, Baraga Township Schools) has virtually been eliminated. This has been no easy task when one considers that 20 years ago most Indian students were drop outs before they ever get to the high schools. This success has been due mainly to several Education Programs funded by both the Bureau of Indian Affairs and H.H.S. These programs have been Johnson-O'Malley, Title IV - AEntitlements. Other programs which we have independently sought from the federal and state have been Bilingual programs and the Migrant programs. Any success which we have had with keeping Indian students in high school has been mainly due to the additional educational programs which we have been able to secure.

Title IV-A Indian Education Act - We feel that it is sad that a program with such tremendous impact - Indian Education Act (Title IV-A) would be eliminated for no apparent reason other than costs.

Higher Education - The demand for services is increasing each year, and the dollar amount available decreases. We are still working with a wang system. A large packet of materials must be hand coded. The system set in place to modernize or streamline the operation does not work.

Tribally controlled Community Colleges should receive funding. Bureau Schools should be continued because they provide a valuable service to reservation Indians across the nation.

LAKE SUPERIOR BAND OF CHIPPEWA INDIANS

LUMBEE REGIONAL DEVELOPMENT ASS
PO BOX 68
PEMBROKE NC 28372

Western Union Mailgram

4-0262415053 02/22/83 ICS IPMMTZZ CSP WSHB
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SENATOR MARK ANDREWS CHAIRMAN SENATE SELECT
COMMITTEE ON INDIAN AFFAIRS
417 RUSSELL SENATE OFFICE BLDG
WASHINGTON DC 20510

THE LUMBEE REGIONAL DEVELOPMENT ASSOCIATION INCORPORATED (LUMBEE TRIBE) IS THE LARGEST INDIAN TRIBE EAST OF THE MISSISSIPPI RIVER. AS AN ANA GRANTEE WE ARE TOTALLY OPPOSED TO THE RECOMMENDED TRANSFER OF FY '83 ADMINISTRATIVE FOR NATIVE AMERICAN GRANTEES TO THE BUREAU OF INDIAN AFFAIRS. THEREFORE 1- THIS TRAUMATIC CHANGE IS DISCRIMINATORY TO OFF RESERVATION INDIANS IN THAT IT SHIFTS AWAY FROM THE ORIGINAL PURPOSE OF ANA- TO SERVE ALL INDIAN PEOPLE. 2- SAID TRANSFER WILL CAUSE ALL NONFEDERALLY RECOGNIZED TRIBES TO LOSE THEIR ELIGIBILITY FOR FUNDING. THIS GROUP CONSTITUTES 52 PERCENT OF THE TOTAL 1980 AMERICAN INDIAN, ESKIMO, AND ALEUT POPULATION. 3- THIS TRANSFER WILL DENY OUR ORGANIZATION THE OPPORTUNITY TO THOROUGHLY EXPLORE AND DEVELOP ECONOMIC DEVELOPMENT STRATEGIES ESSENTIAL FOR ATTAINING SELF SUFFICIENCY. 4- THIS POLICY SHIFT WILL BE AN AFFRONT TO THE SELF SUSTAINING PROGRESS ALREADY MADE BY OFF RESERVATION INDIANS AND ALASKA NATIVE PEOPLE. YOUR ASSISTANCE AND WRITTEN RESPONSE TO OUR CONCERN WILL BE APPRECIATED

ADOLPH L DIAL CHAIRMAN BOARD OF DIRECTORS LUMBEE REGIONAL
DEVELOPMENT ASSN INC
PO BOX 68
PEMBROKE NC 28372

13:36 EST

MGMCOMP

TO REPLY BY MAILGRAM MESSAGE, SEE REVERSE SIDE FOR WESTERN UNION'S TOLL - FREE PHONE NUMBERS

PREPARED STATEMENT OF PHILLIP MARTIN, CHIEF MISSISSIPPI BAND OF CHOCTAW INDIANS

My name is Phillip Martin, and I am the elected Chief of the Mississippi Band of Choctaw Indians, a tribe of some 4,500 members. I am also the current President of the National Tribal Chairmen's Association.

Reviewing the status of federal Indian programs at this point in the fiscal year it is difficult ignore three recent events: Secretary Watt's comments on the Satellite Broadcast Network, the issuance of the President's Indian Policy Statement, and the submission of the President's budget for 1984.

Secretary Watt's remarks have been discussed enough and I won't go into them here. But I should note that as a result of the remarks and of the Indian Policy Statement, the National Congress of American Indians President, Joe DeLaCruz, and myself have been meeting with the Assistant Secretary, Ken Smith to discuss development of a mechanism for tribal consultation and to analyze a reorganization and streamlining of the Bureau administration, made necessary by a budget reduction, but a good idea at any rate. Thus, at least some of the results of the Secretary's remarks have been positive.

The Indian Policy Statement was very encouraging to me, in that the emphases were the government to government relationship and economic development activities on reservation. As you may know, we have had considerable difficulty with this Administration in educating them to the constitutional place of Indian tribal governments in the federal structure, and to the fact that Indian programs are not "social programs" but an obligation which the federal government brought upon itself as a response to the surrender of vast amounts of land by preexisting sovereign governments pushed into a dependant status by superior force of arms. The Statement's discussion of the government-to-government relationship indicates that at least some one up there is aware of this.

The emphasis on economic development was also welcome. On my reservation, the tribal government has been able to create over 500 jobs in tribal enterprises over the past three years, but this has been unprecendented, and most reservations are suffering from unemployment rates in excess of 40 per cent -- some reaching 80 or 90. As always, a recession in the nation means a depression on the reservation. The only way we will avoid this in the future is to develop viable reservation economies with varied components in industry, business, and the retail sector which can resist overreaction to national economic downturns.

Following the Statement, the budget submission was very disappointing to me. The old proposals for abolishment of the CHR program and the Sanitation Facilities Construction program were back again, and added to them were proposals for the termination of the Indian Education Act programs, the Administration for Native Americans, and the BIA preschool programs. Coupled with significant proposed decreases in the Bureau education budget and the IHS Indian Health Manpower scholarships program, the budget indicated to me a lack of communication between the White House policy staff, or whoever composed the Policy Statement, and the rest of the executive branch.

Within this overall context, Indian tribal governments are facing specific problems in the federal administration of Indian programs, which I would like to outline very briefly.

The first is a continuing problem in the area of tribal indirect costs, a subject on which I understand this Committee will soon be holding hearings. The BIA in its budget submissions consistantly underestimates the amounts which will be needed to reimburse tribes for indirect costs on contracts and thus requests insufficient funds in the Contract Support line. Some BIA areas then have no funds for indirect costs for contracts applied for after October 1. Other areas reimburse tribes for only a portion of their federally approved indirect costs rate.

The situation with IHS is even more disturbing. Since IHS has no separate budget line for Contract Support (funds are taken as needed from the Hospitals and Clinics line), the already-strapped IHS budget presents contracting tribes with a no-win dilemma -- either reduce the amount of indirect costs which the government has already said they need to administer the contract adequately, or reduce the level of direct services to the people in order to cover indirect costs.

Another problem is the perception of the trust responsibility. Tribes have always taken the enumeration of services in the Snyder Act as a listing of the responsibilities of the Bureau (and later, IHS) to the Indian people. The current Administration appears to disagree and on several occasions has indicated that they believe that education is not a trust responsibility. I would suggest that the Select Committee might wish to look into this area and consider a statute which defines more specifically what the trust responsibility entails.

In the area of health, the national Administration wishes to limit Indian activities to direct patient care. This derives in part, I believe, from a desire to reduce the budget. But it is also attributable to the fact that policy makers in the Department of HHS do not understand the Indian Health program, the only comprehensive health program operated by the federal government, a program which does not and should not operate like the Veterans' Administration. A major factor in this, I think, is the position of IHS at the very lowest decision-making level within HHS, a position from which it is seldom heard, and, if heard, frequently overruled. In order to address this problem, the National Tribal Chairmen's Association has requested the Secretary-Designate of HHS to consider creating an Assistant Secretary position, similar to that in Interior, to address Indian Health policies and programs. It is a fact, however, that the major reason for decline in the Indian mortality rate has been IHS' emphasis on preventive health activities. If the IHS were to retreat to providing only direct patient care, I believe we would run the risk of climbing mortality rates.

I would request the Committee to give its endorsement to a reintroduced bill proposing an Indian Housing Act administered by the Bureau. The tribes have worked very hard in trying to give HUD the benefit of the doubt in the area of housing, but their budget proposals for 1984 are too little and too late. This is surprising to me, because HUD has been cooperating extremely well with tribes over the last couple of years in the non-housing areas of Community Development Block Grants and Urban Development Action Grants. I think, at base, this Administration wants to get the government out of the housing business. It is unfortunate they have wanted to start this with the population group having by far the highest percentage of substandard housing units.

Finally, there is the matter of the Administration for Native Americans. This agency has, I think, been the most helpful of any of the federal agencies for Indian tribes. Its regulations are flexible and action-oriented, it provides only the grant money needed and some technical assistance to grantees, and it operates efficiently with a very small staff. Now the Administration is proposing to transfer its functions for the federally-recognized tribes to the BIA and to do away with the remainder of the programs. The BIA is not currently organizationally or philosophically prepared to administer such a program, under which tribes exercise a self-determination perhaps more realistic than the Bureau's view of tribal self-determination.

I would respectfully suggest to the members of the Select Committee that language be added to the pending Jobs Bill to maintain ANA within HHS and to set aside $50 million for public jobs as proposed in the section 7 discussion during the last session. I would also urge the insertion of language for a $100 million Indian set-aside of the regular jobs monies, which could be directly administered by tribes, and which could cover the construction of several categories of reservation infrastructure, categories which were not included when the President proposed the measure.

Thank you.

Phillip Martin

Phillip Martin, Chief

PREPARED TESTIMONY OF THE MONTANA UNITED INDIAN HEALTH ASSOCIATION, SUBMITTED BY KENNY NICHOLSON, HEALTH DIRECTOR

Mr. Chairman and Committee Members

The Montana United Indian Health Association (hence forth MUIHA) is comprised of seven (7) Urban Indian Health programs operating in the state of Montana. I, Kenneth Nicholson, Health Director for the Billings American Indian Council have been asked to testify on behalf of the programs.

The Montana United Indian Health Association would like to thank this Committee for this opportunity to testify and comment on the proposed FY '84 Indian Health Service Budget. Zero funding is proposed in the President's budget for Urban Indian Health, Title V, P.L. 94-437, Urban Indian Health Care Improvement Act.

The Montana United Indian Health Association believes the provision of Health Services to Indian people is within the Trust Responsibility of the federal government. These fiduciary responsibilities do not end when an Indian person leaves the geographical boundaries of the reservation. As, fiduciary responsibilities do not end, neither does the need for Health Services by the Indian community within urban settings. MUIHA is committed to servicing the health needs of the off-reservation Indian people in the state of Montana.

The Montana United Indian Health Association at its recent meeting, February 17 and 18, 1983, identified the following concerns:

1. The federal government must recognize its Trust Responsibility to off-reservation Indians, most specifically, the need for Urban Indian Health programs that are providing health services to the Indian community in a cost effective manner.

2. The inaccuracy of the 1980 Census figures regarding the Indian population residing in urban areas in Montana. According to the 1980 Census, there are in the state of Montana, 10,288 American Indians that are residing outside the service area of Montana's Indian reservations. MUIHA, according to clientele records for the services provided by Urban Indian Health programs in Montana, believes a more accurate and true figure is 18,000+. This latter figure is more in line with the American Indian population that falls within the actual service area of MUIHA Health programs.

3. The ratio of Indian Clientele within the service area population to the present funding level reveals more funds are needed to meet the health problems of Indian people. The MUIHA for FY '84 recommends a funding level of $10 million for Title V, P.L. 94-437, Urban Indian Health Care Improvement Act.

4. Accessibility to health services is often limited. Many Indian families are within the lower socio-economic scales and thus are not able to afford adequate health services and are thus dependent upon subsidized services as those offered by Urban Indian Health Programs. Often when Indian people go to local or state agencies seeking help, they are told that their needs are the responsibility of the federal government and thus are denied services.

5. The Safety Net Theory is failing, urban Indian organizations do not qualify for state block grants. Programs administered by the state of Montana have traditionally failed to prioritize the needs of Indian citizens and there are, at present, no promising indications of change.

6. The funding pool on a national, state, and local level for Human Service programs is decreasing. This further complicates the social structure and the pressures that hinder American Indians in the urban setting.

7. The Montana United Indian Health Association has identified that 90% of the Indian clientele that utilize the Urban Indian Health programs do not have any type of Health Insurance. The only fault that lies with the clientele is that they are "too poor to pay" the exorbitant prices for adequate health coverage. Rising unemployment in the urban Indian community is a great contributing factor in this area. Also, the changing criteria of existing medical plans and other health services deny coverage to most Indian clients.

8. The off-reservation Indian community of Montana has many unmet health needs in areas where health problems are related to Alcoholism and Drug Abuse. There is a real need for dental, optometric, prenatal, preventive health care, surgical and other specialty care services. There is a need to provide services to the special needs of children and adults that suffer from physical and or mental disabilities.

Thank you for your kind consideration of the needs of the off-reservation Indian people in Montana. We trust that this Committee will act with all expediency and fairness to see that Urban Indian Health programs receive adequate funding for FY '84.

RECEIVED FEB 24 1983

1983 FEB 23 AM 10 53

February 17, 1983

The Honorable Mark Andrews
U.S. Senate
421 Russell Office Building
Washington, D.C. 20510

Dear Senator Andrews:

Enclosed please find a copy of a study entitled: An Indian Education Program Needs Assessment Survey, conducted during the summer of 1982 as a college course at the College of Great Falls. Two-hundred/forty-five (245) Native American parents were interviewed in Great Falls, Montana.

The study clearly demonstrates a need for (1) supplemental appropriation for Title IV, P.L. 92-318, in the amount of $13,090,104 for FY83, and (2) budget request for Title IV, P.L. 92-318, in the amount of $77,688,104 for FY84.

I would like the enclosed survey submitted into the Congressional Record as testimony and justification for (1) increased appropriations for Title IV, P.L. 92-318, and (2) continuation and reauthorization of Title IV, P.L. 92-318.

Thank you for your consideration. Your assistance in these matters will be as greatly appreciated as the assistance Native Americans have received from you in the past.

Very Truly Yours,

Darryl M Gray

Darryl M. Gray
2913 5-B Street Northeast
Great Falls, MT 59404

Enclosure

AN INDIAN EDUCATION PROGRAM

Needs Assessment Survey

June - July, 1982

Bronze Sculpture by Bob Scriver

1A

Prepared by

Montana United Scholarship Service
Great Falls, Montana

Division of Educational Research and Services
Missoula, Montana

College of Great Falls
Great Falls, Montana

PERSONNEL

Director/Co-Instructor

Darryl M. Gray, Executive Director
Montana United Scholarship Service
510 First Avenue North, Suite 103
Great Falls, Montana 59401

Co-Instructor/Research Analysis

Mildred L. Lindell, Supervisor of Student Teachers
Montana United Scholarship Service/College of Great Falls
Great Falls, Montana 59401

Consultation

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I

COMMENTARY BY DARRYL M. GRAY

The figures on the attached pages represent the results of a survey/questionnaire completed by 245 parents of Native American children. The survey instrument was developed and administered by students in a college course EDUC/NAS 392 at the College of Great Falls entitled: Indian Education Program Needs Assessment: Planning, Implementing, Analyzing, and Reporting. The instructors were Mildred Lindell and Darryl Gray. The students were 16 teacher interns in the Montana Indian Teacher Training Program and one other student. The teacher interns were all of Native American descent who all completed at least one year internship under a supervising teacher in a public or parochial school classroom in Great Falls. The Native American parents were all residents of Great Falls, Montana.

The innovative course was designed jointly by the College of Great Falls (a private Catholic college) and Montana United Scholarship Service (a non-profit, Indian education, community oriented organization). The purpose of the course was to assess where is Indian education now in relation to where should it be as a priority? Where are we going? Where can we go?

My immediate thoughts on the study results are: Education for Native American students is a travesty as it concerns the law of Equal Education Opportunity. (20 U.S.C. 1701). The gap between the "have's" and "have not's" continues to widen. Concomitantly, education becomes increasingly more important, and schools need to address the problems, needs, and interests of Native American students who are being lost at disproportionate rates.

In a world in which educational credentials constitute the meal ticket to success we must be vigilant in our efforts to create schools that truly serve as a force to equalize the social, economic, and political divisions that have so disintegrated the lives of Native Americans. We need to modify the harmful structures to ameliorate or reverse those conditions which are responsible for the systematic and methodical disengagement of our Native American youth (as well as all other youth being disengaged by these practices).

II

NEEDS ASSESSMENT SURVEY MEMORANDUM

BY HAROLD S. ANDERSON

College of
Great Falls

MEMORANDUM

To: Whom It May Concern

Date: September 29, 1982

From: Harold S. Anderson, Head
Division of Human Services

Re: Needs Assessment Survey

The number and variety of questions -- of propriety, accuracy, and adequacy -- which have been raised in reaction to the needs assessment conducted as part of a college course, Ed/NAS 392, this summer, beg a reaction -- not of defense but of explanation.

People who are aware of current practice in the field of education and who are alert to the trends of increased accountability of all educational programs should recognize readily the relevance of such experience in the training of specific groups of teachers, particularly of Native American teachers. Surveys of the public's opinion collect, admittedly, soft data but, on the basis of which, some mighty hard decisions are made -- to continue, for instance, programs which the public finds in favor, or to reform programs which the public finds unfavorable.

Every year for the past 13 the highly respected Gallup Organization has conducted a nation-wide survey of the overall features of education, establishing, over the years, trends in the public's opinion of schools. Tracing the flow of public approval this way has convinced education leadership in many states, including Montana, that the time has come, this year, when improvements in schools, particularly secondary schools, must be accomplished to avoid further decline of public confidence in the education system.

On the local level, needs assessments have become recognized means of gathering relevant information on which to base curriculum revision or to support statements of need in grant proposal writing.

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People who are aware of the many prominent uses of needs assessments as a tool in conducting educational programs simply cannot question their inclusion in the program of preparation for educators.

Instruments used by Gallup Polls probably approach perfection in form and content. No such claim can be made for the instrument developed and used by CGF students this summer in Great Falls. To be most meaningful, as a learning experience, construction of the instrument had to be a student activity. Although mature, experienced judgment was exercised in reviewing its content, no one involved would claim that the instrument approaches perfection. Moreover, precautions in allotting certain individuals to be interviewed by specific students didn't quite prevent some of them from encroaching on each other's territories. In the experience, I'm sure, they gained respect for their instruction in theory of sampling techniques.

The results of the survey, since large numbers of respondents were included, can be trusted. Obviously, any one, or a few specific responses may reflect unique bias and distortion. Minor imperfections in either item-construction or survey sample don't disrupt larger patterns. The larger patterns of response convey meaning. Thus, generalizations drawn from comparisons of large numbers of responses can be construed reliable.

As in all surveys of public opinion, the data collected should be viewed as opinion. And people behave according to their opinions. Strong patterns of opinion predict strong patterns of behavior, for instance, in voting and in providing active support and participation.

We in education can well heed what we learn through surveys like this. Surely, to know and to behave accordingly beats plowing on blindly in ignorance. No?

HSA:mh

III

AN ANALYSIS OF THE STUDY BY THE DIVISION OF EDUCATIONAL RESEARCH AND SERVICES

Introduction

The survey instrument with superimposed results and the survey demographic data are included in the Appendix. The raw data is on file at Montana United Scholarship Service and is available upon request.

To facilitate data analysis and to enhance readability the survey questions have been organized into several thematic categories. The questions and results pertaining to each category will be displayed under thematic titles and the data analysis relative to that area will follow. Some themes necessarily overlap, however, emerging trends are clear.

It should be noted at the outset that the data are derived from a carefully supervised, but student designed and administered, instrument thus subject to certain constraints. Nevertheless, we feel the data analyses are based upon substantive information. For those who may disagree with the conclusions, it is possible to dwell upon the limitations of the study. This would, however, be shortsighted for the survey does reveal and identify specific areas of parental concern and dissatisfaction. Whether a rational basis exists for these dissatisfactions, stated or implied, cannot be discerned from the survey. That they exist is clear. The prudent course would seem to be in acknowledging the concerns and devising an appropriate strategy for addressing them or for expanding the dialogue.

A word of caution is also in order to those who find support for their own positions in this survey. Although important information has been developed, the limitations of the survey methodology prevent the drawing of causal inferences. Rather this entire process should be viewed as a first step in identifying specific areas of concern which need additional and more sophisticated research efforts conducted in cooperation with affected educational institutions.

A. Dropouts

TABLE 1
Dropouts
N = 245

Question (truncated)	Yes		No		No Response	
	N	%	N	%	N	%
10. Native American children drop out of elementary school.	136	(56)	81	(33)	28	(11)
15. Native American children drop out of junior high school.	223	(91)	17	(7)	5	(2)
17. Personally know Native American junior high dropouts.	181	(74)	63	(26)	1	(0)
27. Native American student dropout problem in high school.	207	(85)	21	(9)	17	(7)

TABLE 1a
Cumulative Percentage of Native American Dropouts
N = 245

Question (truncated)	0%		25%		50%		75%		75%+		No Resp.	
	N	%	N	%	N	%	N	%	N	%	N	%
23. Junior high Native American dropouts.	10	(4)	109	(45)	82	(34)	N/A*		21	(9)	23	(9)
29. High school Native American dropouts.	N/A*		50	(20)	94	(38)	58	(24)	21	(9)	22	(9)

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*This response category was not provided for this question.

Responding NA parents strongly feel (85%) that dropping out constitutes a problem among NA high school students. The magnitude of the problem is revealed when fully 91% of respondents feel that at least 25% of the NA students drop out of high school. Seventy-one percent (71%) place the dropout rate at over 50% and 33% of responding parents would place the rate at 75% or more!

Of perhaps even greater concern is the belief by 88% of respondents that over 25% of all NA junior high school students drop out of school. Forty-three percent (43%) of the sample would place the dropout figure at 50% or more for junior high. These opinions are apparently bolstered by the fact that 74% personally know of junior high students who have dropped out of school. Overall, 91% believe that NA students do in fact drop out at the junior high level.

Perhaps most disturbing of all is the opinion held by a majority of responding NA parents (56%) that NA children drop out of school at the elementary level!

B. Suspensions/Expulsions

TABLE 2
Suspensions/Expulsions
N = 245

Question (truncated)	Yes		No		No Response	
	N	%	N	%	N	%
16. Know Native American students suspended or expelled at junior high level.	154	(63)	71	(29)	20	(8)
30. Know any Native American students suspended or expelled at high school level.	180	(74)	62	(25)	3	(1)

A significant percentage of respondents knew NA students who had been suspended or expelled from junior high school (63%)* and/or high school (74%).* While these figures in and of themselves tell us little, they do tend to imply that disciplinary problems exist in the District relative to NA children. Additional data is needed to properly address this issue.

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*Response rate, not expulsion rate.

TABLE 3
Student Problem Identification and Ranking by Educational Level*
N = 245

Pre-School		Elementary		Junior High		High School		College	
Rank/Item	%	Rank/Item	%	Rank/Item	%	Rank/Item	%	Rank/Item	%
1. Prejudice	.30	1. Prejudice	.42	1. Drugs/Alcohol	.40	1. Drugs/Alcohol	.44	1. Income	.34
2. Health	.22	2. Parental Concern	.14	2. Prejudice	.38	2. Prejudice	.36	2. Financial Aid	.22
3. Income	.18	3. Health	.13	3. Income	.17	3. Income	.23	3. Prejudice	.22
4. Parental Concern	.13	4. Income	.13	4. Peer Pressure	.12	4. Parental Concern	.09	4. Day Care	.15
5. Home Life	.11	5. Home Life	.11	5. Parental Concern	.10	5. Peer Pressure	.08	5. Housing	.15
6. Discipline	.09	6. Discipline	.10	6. Absenteeism	.07	6. Self-Esteem	.07	6. Drugs/Alcohol	.06
7. Nutrition	.07	7. Clothing	.08	7. Discipline	.07	7. Absenteeism	.06	7. Counselors	.06
8. Day Care	.07	8. Parental Alcoholism	.07	8. Health	.07	8. Home Life	.06	8. Family Problems	.03
9. Clothing	.07	9. Peer Pressure	.06	9. Self-Esteem	.07	9. Attitude	.04	9. Peer Pressure	.03
10. Self-Esteem	.05	10. Self-Esteem	.05	10. Home Life	.05	10. Dropouts	.04	10. Transportation	.03
11. Parental Alcoholism	.04	11. Drugs/Alcohol	.05	11. Social Acceptance	.06	11. Pregnancy	.04	11. Recreation	.03
12. Language	.04	12. Social Acceptance	.05	12. Pregnancy	.03	12. Social Acceptance	.04	12. Absenteeism	.02

*The problem identification and ranking responses were obtained through an open-ended approach.

C. Student Problem Identification and Ranking by Educational Level

The specter of prejudice, real or imagined, looms large at each level of education, being paramount in the pre-school and elementary grades, diminishing slightly by college, but nevertheless remaining one of the top three identifiable problems.

Drugs and alcohol, along with prejudice, dominate the top responses at the junior high (78%) and high school (80%) levels. But a first warning (5%) of potential things to come relative to drugs and alcohol manifests itself as early as the elementary grades.

Health problems are a major concern in the early years of education but diminish by the secondary grade levels. If we include drugs and alcohol under that rubric as many would suggest, health becomes the dominant problem.

Income level, as a problem, never strays far from the top, remaining always among the top four, and topping out at the college level.

Of perhaps some interest due to the emphasis that it so frequently receives relative to minority eduction is the phenomenon of low self-esteem. While it is identified as a problem at all levels, excluding college, it is not afforded especially high ranking except at the high school level, and though ranked sixth, it is identified by only 7% of respondents, the same as at the junior high level where it ranks ninth. To keep this in perspective, however, to an earlier question (No. 58), 34% of respondents indicated that self-esteem among NA students was poor.

D. Parents/Home Environment

TABLE 4
Parents/Home Environment
N = 245

Question (truncated)	Yes		No		No Response	
	N	%	N	%	N	%
1. Native American parents adequately prepare their children for kindergarten and elementary school.	108	(44)	119	(49)	18	(7)
2. More day care and Head-start programs needed to prepare Native American youngsters for school.	219	(89)	20	(8)	6	(2)
3. Native American parents need to be more involved in organized programs for pre-school youngsters.	221	(90)	3	(1)	21	(9)
7. Native American children are as ready for elementary school as non-Native American children.	99	(40)	145	(59)	1	(0)
34. Native American parents need parent-education classes.	221	(90)	19	(8)	5	(2)

Native American (NA) parents almost equally devide (44%/49%) on the question as to whether or not NA parents adequately prepare their children for school entry. However, there is strong agreement (90%) that NA parents need to be more involved in organized programs for pre-school youngsters.

By a not insignificant margin (59%) NA parents feel their children are neither as academically nor as socially ready for elementary school as are non-Native American children. This leads them to suggest (89%) that additional day care preparation and Headstart programs are required to facilitate such preparation, and that parent education classes are needed for NA parents (90%).

E. Academic Preparation

TABLE 5
Academic Preparation
N = 245

Question (truncated)	Yes		No		No Response	
	N	%	N	%	N	%
13. Native American pupils are academically prepared for junior high school.	115	(47)	103	(42)	27	(11)
18. Native American children acquired basic skills in elementary school to succeed in junior high school.	137	(56)	94	(38)	14	(6)
19. Native American students need remedial courses in junior high school.	208	(85)	29	(12)	8	(3)
25. Native American children have basic skills to succeed in high school.	121	(49)	101	(41)	23	(9)
28. Native American high school students need remedial courses.	220	(90)	22	(9)	3	(1)

TABLE 5, cont.
Academic Preparation
N = 245

Question (truncated)	Yes		No		No Response	
	N	%	N	%	N	%
35. Native American students academically prepared to enter College of Great Falls.	45	(18)	62	(25)	138	(56)
36. Native American students at College of Great Falls need remedial courses.	110	(45)	20	(8)	115	(47)

Although NA parents divide almost equally (47%/42%) on the question as to whether or not NA pupils are academically prepared for junior high school, they show greater, though not strong, confidence (56%) that their children have acquired the basic skills necessary to succeed. Students at the junior high level are perceived as being slightly less prepared in the basic skills for high school (49%/41%). There is a modest reversal relative to being academically prepared for college (18%/25%). This probably suggests that parent satisfaction with District schools declines slightly between the primary and secondary grades.

The various responses relative to adequacy of academic preparation do not, however, necessarily coincide with the perceived need for remedial basic education courses for NA children at the junior high level (85%), the high school level (90%), and at the College of Great Falls (CGF) (85%) (excluding "No Response's," N = 130).* These responses probably reflect the belief that a significant number of NA students are in need of remedial courses despite the fact a slight majority of NA students may be adequately prepared.

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*Due to low number of responses to this question, "No Response's" are excluded in computing percentages used in this analysis so reader can compare data both ways.

F. Teacher Preparation

TABLE 6
Teacher Preparation
N = 245

Question (truncated)	Yes N	Yes %	No N	No %	No Response N	No Response %		
43. Faculty, etc. at College of Great Falls need orientation regarding special needs of Native American students.	120	(49)	11	(4)	114	(47)		
65. Teachers in local school district need instruction in Native American studies.	219	(89)	17	(7)	9	(4)		
Question (truncated)	**Adequately Prepared N**	**Adequately Prepared %**	**Somewhat Prepared N**	**Somewhat Prepared %**	**Inadequately Prepared N**	**Inadequately Prepared %**	**No Response N**	**No Response %**
4. Teachers and para-professional teachers of pre-school youngsters adequately prepared in area of early childhood development.	58	(24)	153	(62)	22	(9)	12	(5)

x

	N	1 Not At All	2 Some	3 Somewhat	4 Most	5 All	Mean
9. Elementary teachers are sensitive to special needs of Native American children.	227	1.0 29(12)	2.0 85(35)	3.0 82(34)	4.0 26(11)	5.0 5(2)	2.53

No Response: 18(7)

Only 24% of NA parents believe teachers and paraprofessional teachers of pre-school children are adequately prepared in early childhood development. The remaining teachers are seen as inadequately prepared (9%) or only somewhat prepared (62%). Teachers are also apparently viewed as being poorly prepared to teach NA children, as 89% of respondents indicated a belief that teachers need instruction in Native American studies, and 81% indicated that elementary teachers are only "somewhat," or less, sensitive to the needs of NA children.

A perceived need for increased instructor sensitivity is not confined to the public school District, as 92% of those responding (excluding "No Response's," N = 131)* feel there is need to provide faculty and selected staff at the College of Great Falls (CGF) with an orientation to the special and unique needs of the NA student.

G. Native American Studies/Bilingualism/Native American Teachers

TABLE 7
Native American Studies/Bilingualism/
Native American Teachers
N = 245

Question (truncated	Yes		No		No Response	
	N	%	N	%	N	%
11. Native American studies should become integrated into school district curriculum at elementary level.	198	(81)	27	(11)	20	(8)
20. Need to offer Native American studies courses at junior high level.	193	(79)	19	(8)	33	(14)

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*Due to low number of responses to this question, "No Response's" are excluded in computing percentages used in this analysis so reader can compare data both ways.

TABLE 7, cont.
Native American Studies/Bilingualism/
Native American Teachers
N = 245

Question (truncated)	Yes		No		No Response	
	N	%	N	%	N	%
26. Need to offer Native American studies courses at high school level.	207	(85)	18	(7)	20	(8)
40. Need to improve Native American studies courses at College of Great Falls.	83	(34)	18	(7)	144	(59)
45. Need for local school district to hire more Native American teachers.	223	(91)	14	(6)	8	(3)
49. Feel more comfortable discussing child's problems with Native American counselor.	156	(64)	49	(20)	40	(16)
61. Need to offer bilingual education courses in Great Falls School District.	159	(65)	63	(26)	23	(9)

It is fairly strongly felt (81%) that Native American Studies (NAS) should become a part of the District curriculum at the elementary level, and continue through the junior high (79%) and high schools (85%). Furthermore, it is felt that the NAS courses offered at the CGF should be improved (82% excluding "No Response's", N = 101).* Bilingual courses were endorsed by 65% of the respondents.

More NA teachers are seen as being needed by the District (91%), and a majority of parents (64%) indicated they would feel more comfortable discussing their children's problems with an NA counselor thus implying that additional NA personnel are needed in that field.

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*Due to low number of responses to this question, "No Response's" are excluded in computing percentages used in this analysis so reader can compare data both ways.

H. Communications/Counseling and Guidance

TABLE 8
Communications/Counseling and Guidance
N = 245

Question (truncated)	Yes		No		No Response	
	N	%	N	%	N	%
21. Native American students need more information at junior high level concerning vocational and career education.	231	(94)	8	(3)	6	(3)
22. Need for Native American students to be given information about post-high school education at junior high level.	233	(95)	9	(4)	3	(1)
31. Native American high school students are given adequate information about post-secondary education programs and financial aid.	76	(31)	142	(58)	27	(11)
38. Help is given to students at College of Great Falls in planning educational program for individual needs.	39	(16)	31	(13)	175	(71)
46. Feel free to discuss problem with member of school staff if child experiencing school-related problem.	198	(81)	35	(14)	12	(5)
47. Aware that Native American home-school coordinators work in schools.	123	(50)	100	(41)	22	(9)
50. Had an opportunity to discuss with child's regular counselor approaches to solving problems.	104	(43)	111	(45)	30	(12)
51. Feel comfortable discussing school-related problems of child with members of school staff.	165	(67)	52	(21)	28	(11)

TABLE 8, cont.
Communications/Counseling and Guidance
N = 245

Question (truncated)	Yes		No		No Response	
	N	%	N	%	N	%
52. Ever talked with child's school counselor.	107	(44)	120	(49)	18	(7)
55. School helps with explaining meaning of school curriculum.	114	(47)	86	(35)	45	(18)
56. School-related programs that encourage the involvement of parents in education of their children.	115	(47)	100	(41)	30	(12)
59. Received or seen a copy of school district student code handbook.	65	(27)	170	(69)	10	(4)
62. Local school district helps Native American students and parents understand meaning of standardized test scores.	107	(44)	115	(47)	23	(9)
64. Familiar with Montana Indian Teacher Training Program.	110	(45)	121	(49)	14	(6)

Communications between District schools and parents may be judged only fair to poor based on responses to the questionnaire. Only 50% of NA parents are aware that NA home-school counselors are available in the schools to address special problems of the NA students. Communications between the District and respondents relative to the curriculum was acknowledged by only 47%. The District appears also to have communicated to only 47% of the respondents that programs exist to encourage parental involvement in the education of their children.

Copies of the District student code handbook were received by only 27% of the respondents. This may reflect a failure of respondents' children to bring the handbooks home, or the fact that handbooks are not intended for all grade levels. On the other hand, it may be interpreted as a failure on the part of the District to communicate parental role expectations relative to the handbooks, assuming there are any.

Respondents overwhelmingly felt that more career (94%) and post-high school (95%) educational information should be provided at the junior high level. It was also felt (58%) that inadequate information about post-secondary education programs and financial aids are provided to high school students. This may be reflected in the fact that only 45% of the respondents were familiar with the Montana Indian Teacher Training Program, or it could be a reflection on the age distribution of the respondents' children.

Native American respondents do feel relatively free to discuss their children's school-related problems with school staff (81%) and 67% would feel comfortable doing so; however, fewer than half (43%) have exercised that option. This is reflected in only a 44% affirmative response as to whether or not the District has helped NA students and parents understand the meaning of students' standardized test scores.

Responding parents of NA students at the CGF feel by only a 56%-44% differential (excluding "No Response's," N = 70)* that adequate help is given to students in planning educational programs that best meet their individualized needs.

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*Due to low number of responses to this question, "No Response's" are excluded in computing percentages used in this analysis so reader can compare data both ways.

I. Parent-School Relationships

TABLE 9
Parent-School Relationships
N = 245

Question (truncated)	Yes		No		No Response	
	N	%	N	%	N	%
46. Feel free to discuss problem with member of school staff if child experiencing school-related problem.	198	(81)	35	(14)	12	(5)
53. If you or your child complained to school official would child be retaliated against?	160	(65)	74	(30)	11	(5)
54. School solves problems.	96	(39)	121	(49)	28	(11)

Although NA parents feel relatively free to discuss school-related problems with school staff (81%), they are apprehensive (65%) that if the problem relates to a staff member, there is a chance their child will suffer retaliation. They are also not overly confident (39%) that upon taking a problem to school personnel that it will be solved.

J. Curriculum

TABLE 10
Curriculum
N = 245

Question (truncated)	Yes		No		No Response	
	N	%	N	%	N	%
14. Need more drug, alcohol and sex education courses at junior high level.	209	(85)	30	(12)	6	(3)
33. Native American students' school experience has provided them with opportunities to develop self-reliance.	102	(42)	124	(51)	19	(8)
57. Too much emphasis on college bound curriculum in local school district.	61	(25)	110	(45)	74	(30)
63. Need to develop in-school programs that will assist in reducing tardiness and absenteeism rates of Native American students.	185	(76)	26	(11)	34	(14)
67. Extracurricular activities important in keeping Native American child in school at all levels of education.	223	(91)	15	(6)	7	(3)

For the most part (45%/25%) NA respondents do not feel that the college bound curriculum has been overemphasized by the District. There is general agreement, however, (85%) that additional drug, alcohol, and sex education courses are needed at the junior high level; and (76%) that in-school programs are needed to address the problems of tardiness and absenteeism among NA students. NA parents also do not feel (51%) that self-reliance has been developed to the desired extent among NA students.

Extracurricular activities at all levels are overwhelmingly perceived (91%) as important incentives for retaining NA students in the educational process.

K. Support Services

TABLE 11
Support Services
N = 245

Question (truncated)	Yes		No		No Response	
	N	%	N	%	N	%
2. More day care and Headstart programs needed to prepare Native American youngsters for school.	219	(89)	20	(8)	6	(2)
5. Better health care services needed for Native American pre-school children.	221	(90)	20	(8)	4	(2)
37. Need for College of Great Falls to provide health care (insurance) program for its students.	134	(55)	4	(2)	107	(44)
42. College of Great Falls should develop Day Care Center on campus.	139	(57)	15	(6)	91	(37)
66. Need to develop recreation programs for Native American youth.	216	(88)	19	(8)	10	(4)

As previously indicated, strong support exists among respondents (89%) for the development of additional day care and Headstart type programs as well as for improved health care services for NA pre-school children (90%). Parents also feel that the CGF should provide an on-campus day care center for students (90% excluding "No Response's," N = 154),* and that a health care (insurance) program should be available to CGF students (97% excluding "No Response's," N = 138).*

Recreational programs for NA youth were also strongly supported (88%), although anticipated sponsorship was not identified.

L. Prejudice

TABLE 12
Prejudice
N = 245

Question (truncated)	Yes		No		No Response	
	N	%	N	%	N	%
39a. Prejudice exists at College of Great Falls against Native American students.	49	(20)	35	(14)	161	(66)
41. Native American students are given equitable consideration for financial aid at College of Great Falls.	51	(21)	35	(14)	159	(65)
60a. Prejudice exists in Great Falls School District against Native Americans.	186	(76)	29	(12)	30	(12)

Question (truncated)	Students		Faculty/ Teachers		Administrators	
	N	%**	N	%**	N	%**
39b. Who discriminates? (CGF)	28	(57)	29	(59)	15	(31)
60b. Who discriminates? (Dist.)	158	(85)	130	(70)	66	(36)

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*Due to low number of responses to this question, "No Response's" are excluded in computing percentages used in this analysis so reader can compare data both ways.

**Percentage computed using N of those who responded "Yes" to Part A of this question.

NA parent respondents feel fairly strongly (76%) that prejudice exists in the District against their children, not only from other students (85%),* but from teachers (70%),* and a not insignificant number of administrators (36%).* Prejudice is also perceived as existing at the CGF (58% excluding "No Response's," N = 84),** though to a lesser extent than in the District. All factions of the College community are considered guilty of prejudice to some degree including students (57%),* faculty (59%),* and administrators (31%).* It is interesting to note that while perceived prejudice seems to diminish from the District to the College, the diminution is most marked among students, and far less dramatic among faculty and administration. This may reflect, however, the differing age structures of the student bodies and the differing propensities towards prejudicial manifestations between those age groups.

Responding parents of college age students apparently feel that racial prejudice is not only manifest in subtle ways but that it may also be a consideration in the awarding of financial grants as well; for although a majority (59% exluding "No Response's," N = 86),** feel race is not a consideration, a sizable minority (41% excluding "No Response's," N = 86)** feel that it is.

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*Percentage represents response rates and not an estimated percentage of students, teachers, or administrators who are prejudiced. Percentage computed using N of those who responded "Yes" to Part A of this question.

**Due to low number of responses to this question, "No Response's" are excluded in computing percentages used in this analysis so reader can compare data both ways.

IV

CONCLUSIONS BY THE DIVISION OF EDUCATIONAL RESEARCH AND SERVICES

1. The dropout rate for NA students of the District is perceived by the respondents to be of staggering proportions extending to all levels within the school system and not limited solely to the secondary grades as often assumed. It should be noted, however, that even within the response group there is significant diversity of opinion relative to the accurate dropout ratio. This suggests that adequate and/or credible information has not been made available to this response group in such a manner and form as to have lasting impact.

2. Prejudice against Native Americans is viewed as a major educational problem for children of the responding group. It is perceived as not only extremely high among non-native school children but also teachers, and to a not insignificant degree, among school administrators.

3. Respondents view drug and alcohol abuse as the single most significant problem for secondary NA students; a problem which first begins to appear in the elementary grades.

4. Health-related problems are perceived by respondents as a significant detriment to education among the younger NA children of the District.

5. The responding group feels that teachers at all levels, including college, are not sufficiently attuned to the special needs of NA students, and accordingly that corrective measures are required. Appropriate actions include requiring courses in Native American studies and holding special orientations for instructors who deal with Native Americans.

6. The responding parents of NA children view Native American studies as an important and needed addition to the curriculum at all levels.

7. The District is viewed by the respondents as lacking a sufficient number of NA teachers, and by implication, other NA specialists such as counselors.

8. Fewer than 50% of the respondents indicated that they had received information from the District regarding certain important educational matters. This suggests that District-parental communications are perceived as poor by a significant percentage of the respondent group.

9. Native American respondents in significant numbers feel that retaliation by school personnel awaits the NA child whose parents complain about a staff member. They are also less than confident that problems brought to the school's attention are adequately addressed by appropriate District personnel.

10. While almost one-half of the respondents are confident that their children have acquired the basic skills necessary to perform at the next higher academic levels, there is very strong support for the provision of remedial basic education courses for educationally deficient NA students at all grade levels, including the College of Great Falls.

11. The respondents feel that pre-school NA children and parents need special educational assistance in the form of day care, Headstart, and parent training.

12. Parents responding felt strongly that inadequate career and post-secondary educational information was provided to junior high school students.

13. It may be inferred from several responses that participating NA parents believe improved counseling services for NA students are required at all academic levels.

14. NA respondents desire additional drug, alcohol, and sex education courses, as well as programs to reduce tardiness and truancy.

15. The College of Great Falls, in the opinion of respondents, should provide a health insurance program and a day care center for its students.

16. The high frequency of familiarity of respondents with expelled or suspended NA students suggests that this is a potential problem that needs additional data.

APPENDIX

An Indian Education Program
Needs Assessment Survey
June - July, 1982
N = 245

1. Do you believe that Native American parents adequately prepare their pre-school youngsters for kindergarten and elementary school?

N = 227 Yes: 108 (44)* No: 119 (49) No Response: 18 (7)

2. Is there a need for more day care and Headstart programs that prepare Native American youngsters, both socially and academically, for school?

N = 239 Yes: 219 (89) No: 20 (8) No Response: 6 (2)

3. Do Native American parents need to be more involved in organized programs for pre-school youngsters?

N = 224 Yes: 221 (90) No: 3 (1) No Response: 21 (9)

4. Are teachers and para-professional teachers of pre-school youngsters adequately prepared in the area of early childhood development?

N = 233	Adequately Prepared:	58 (24)
	Somewhat Prepared:	153 (62)
	Inadequately Prepared:	22 (9)
	No Response:	12 (5)

5. Is there a need for better health care services for Native American pre-school children?

N = 241 Yes: 221 (90) No: 20 (8) No Response: 4 (2)

6. What do you believe are the three most prominent (greatest) problems Native American pre-school youngsters experience?

Below are the twelve (12) most frequent responses and percentages.

N = 193	Prejudice	57	(30)**
	Health	43	(22)
	Income	34	(18)
	Lack of Parental Concern	25	(13)
	Home Life	22	(11)
	Discipline and Fighting	17	(9)
	Food and Nutrition	13	(7)
	Day Care	14	(7)
	Clothing	13	(7)
	Self-Esteem and Confidence	10	(5)
	Parental Alcoholism	8	(4)
	Language	7	(4)

*Unless otherwise noted, all percentages are figured with N of 245.
**Percentages figured with N of 193. Due to multiple responses, percentages total more than 100%. 52 (21% of 245) did not respond to this question.

7. Are Native American children as ready socially and academically for elementary school as non-Native American children?

N = 244 Yes: 99 (40) No: 145 (59) No Response: 1 (0)

8. To what extent do Native American parents become involved in the education of their children?

x
1.........2.........3.........4.........5
Not At All Some Somewhat Most All

N	Mean
242	2.54

*

1.0	2.0	3.0	4.0	5.0	No Response
13(5)	112(46)	96(39)	16(7)	5(2)	3(1)

9. Are elementary teachers sensitive to the unique and special needs of Native American children?

x
1.........2.........3.........4.........5
Not At All Some Somewhat Most All

N	Mean
227	2.53

*

1.0	2.0	3.0	4.0	5.0	No Response
29(12)	85(35)	82(34)	26(11)	5(2)	18(7)

10. Do any Native American children drop out of school in elementary school?

N = 217 Yes: 136 (56) No: 81 (33) No Response: 28 (11)

11. Should Native American studies become integrated into the school district curriculum at the elementary level?

N = 225 Yes: 198 (81) No: 27 (11) No Response: 20 (8)

12. What do you consider to be the three most prominent (greatest) problems Native American elementary pupils experience?

Below are the twelve (12) most frequent responses and percentages.

N = 184

Prejudice	77	(42)**
Lack of Parental Concern	25	(14)
Health	23	(13)
Income	23	(13)
Home Life	20	(11)
Discipline and Fighting	18	(10)
Clothing	15	(8)
Parental Alcoholism	12	(7)
Peer Pressure	11	(6)
Self-Esteem and Confidence	10	(5)
Drugs and Alcohol	9	(5)
Social Acceptance	9	(5)

*"No responses" are ignored in computing the mean.

**Percentages figured with N of 184. Due to multiple responses, percentages total more than 100%. 61 (25% of 245) did not respond to this question.

13. Are Native American pupils academically prepared for junior high school? ✓

N = 218 Yes: 115 (47) No: 103 (42) No Response: 27 (11)

14. Do we need more drug, alcohol, and sex education courses at the junior high school level?

N = 239 Yes: 209 (85) No: 30 (12) No Response 6 (3)

15. Do Native American students drop out of school at the junior high school level?

N = 240 Yes: 223 (91) No: 17 (7) No Response 5 (2)

16. Do you know any Native American students that have been suspended or expelled from school at the junior high school level?

N = 225 Yes: 154 (63) No: 71 (29) No Response 20 (8)

17. Do you personally know any Native American junior high school age children that have dropped out of school?

N = 244 Yes: 181 (74) No: 63 (26) No Response: 1 (0)

18. Have Native American children acquired the basic skills in reading, writing, and arithmetic in elementary school to successfully complete courses in junior high school?

N = 231 Yes: 137 (56) No: 94 (38) No Response: 14 (6)

19. Is there a need to offer remedial (basic education) courses to Native American students in junior high school?

N = 237 Yes: 208 (85) No: 29 (12) No Response: 8 (3)

20. Is there a need to offer Native American studies courses at the junior high school level?

N = 212 Yes: 193 (79) No: 19 (8) No Response: 33 (14)

21. Should Native American students be given more information at the junior high school level concerning vocational and career education?

N = 239 Yes: 231 (94) No: 8 (3) No Response: 6 (3)

22. Is there a need for Native American students to be given information about post-high school education at the junior high school level?

N = 242 Yes: 233 (95) No: 9 (4) No Response: 3 (1)

23. What do you believe is the cumulative percentage of Native American students that drop out of school in junior high school?

	0%	25%	50%	75% or more	No Response
N = 222	10(4)	109(45)	82(34)	21(9)	23(9)

24. What do you believe are the three most prominent (greatest) problems Native American students experience at the junior high school level?

Below are the twelve (12) most frequent responses and percentages.

N = 189

Drugs and Alcohol	75	(40)*
Prejudice	72	(38)
Income	32	(17)
Peer Pressure	23	(12)
Lack of Parental Concern	19	(10)
Absenteeism	13	(7)
Discipline and Fighting	13	(7)
Health	13	(7)
Self-Esteem and Confidence	13	(7)
Home Life	9	(5)
Social Acceptance	9	(5)
Pregnancy	6	(3)

25. Have students at the high school level mastered the basic skills in elementary or junior high school to successfully compete in high school?

N = 222 Yes: 121 (49) No: 101 (41) No Response: 23 (9)

26. Is there a need to offer Native American studies courses at the high school level?

N = 225 Yes: 207 (85) No: 18 (7) No Response: 20 (8)

27. Is there a Native American student dropout problem in high school?

N = 228 Yes: 207 (85) No: 21 (9) No Response: 17 (7)

28. Do Native American high school students need remedial (basic education) courses?

N = 242 Yes: 220 (90) No: 22 (9) No Response: 3 (1)

29. What cumulative percentage of Native American students do you believe drop out of high school?

N = 223	25%	50%	75%	Over 75%	No Response
	50(20)	94(38)	58(24)	21(9)	22(9)

30. Do you know any Native American high school students that have been suspended or expelled at the high school level?

N = 242 Yes: 180 (74) No: 62 (25) No Response: 2 (1)

31 Are Native American high school students given adequate information about post-secondary education programs and financial aid?

N = 218 Yes: 76 (31) No: 142 (58) No Response: 27 (11)

*Percentages figured with N of 189. Due to multiple responses, percentages total more than 100%. 56 (23% of 245) did not respond to this question.

32. What do you believe are the three most prominent (greatest) problems Native American high school students experience?

Below are the twelve (12) most fequent responses and percentages.

N = 180

Drugs and Alcohol	80	(44)*
Prejudice	64	(36)
Income	41	(23)
Lack of Parental Concern	16	(9)
Peer Pressure	14	(8)
Self-Esteem and Confidence	13	(7)
Absenteeism	11	(6)
Home Life	11	(6)
Attitude	8	(4)
Dropouts	8	(4)
Pregnancy	8	(4)
Social Acceptance	7	(4)

33. Do you believe that the Native American students' school experiences have provided them with opportunities to develop self-reliance?

N = 226 Yes: 102 (42) No: 124 (51) No Response: 19 (8)

34. Is there a need to provide parent-education classes for the Native American parents?

N = 240 Yes: 221 (90) No: 19 (8) No Response: 5 (2)

35. Are Native American students adequately prepared academically when they enter the College of Great Falls?

N = 107 Yes: 45 (18) No: 62 (25) No Response: 138 (56)

36. Is there need to provide remedial (basic education) courses for Native American students at the College of Great Falls?

N = 130 Yes: 110 (45) No: 20 (8) No Response: 115 (47)

37. Is there a need for the College of Great Falls to provide a health care (insurance) program for its students?

N = 138 Yes: 134 (55) No: 4 (2) No Response: 107 (44)

38. Is help given to students at College of Great Falls in planning an educational program to meed their individual needs?

N = 70 Yes: 39 (16) No: 31 (13) No Response: 175 (71)

*Percentages figured with N of 180. Due to multiple responses, percentages total more than 100%. 65 (27% of 245) did not respond to this question.

39. Does prejudice exist at the College of Great Falls against Native American students?

N = 84 Yes: 49 (20) No: 35 (14) No Response: 161 (66)

If yes, who discriminates?

N = 49	Other Students	Faculty	Administration
	28 (57)*	29 (59)	15 (31)

40. Is there a need to improve the Native American studies courses at the College of Great Falls?

N = 101 Yes: 83 (34) No: 18 (7) No Response: 144 (59)

41. Are Native American students given fair and equitable consideration when they apply for financial aid at the College of Great Falls?

N = 86 Yes: 51 (21) No: 35 (14) No Response: 159 (65)

42. Should the College of Great Falls develop a day care center on campus for its students?

N = 154 Yes: 139 (57) No: 15 (6) No Response: 91 (37)

43. Is there a need to provide an orientation to the faculty and other personnel at the College of Great Falls regarding special and unique needs and programs for Native American students at CGF?

N = 131 Yes: 120 (49) No: 11 (4) No Response: 114 (47)

44. What are the three most prominent (greatest) problems students at the College of Great Falls experience?

Below are the twelve (12) most frequent responses and percentages.

N = 65			
	Income	22	(34)**
	Financial Aid	14	(22)
	Prejudice	14	(22)
	Day Care	10	(15)
	Housing	10	(15)
	Drugs and Alcohol	4	(6)
	Counselors and Tutors	3	(5)
	Family Problems	2	(3)
	Peer Pressure	2	(3)
	Transportation	2	(3)
	Recreation	2	(3)
	Absenteeism	1	(2)

*Percentages are based upon 49 "Yes" responses. Due to multiple responses, percentages total more than 100%.

**Percentages figured with N of 65. Due to multiple responses, percentages total more than 100%. 180 (74%) did not respond to this question.

45. Is there a need for the local school district to hire more Native American teachers?

N = 237 Yes: 223 (91) No: 14 (6) No Response: 8 (3)

46. If your child was experiencing a school-related problem, would you personally feel free to discuss the problem with a member of the school staff?

N = 233 Yes: 198 (81) No: 35 (14) No Response: 12 (5)

47. Are you aware that there are Native American home-school coordinators (para-professional level) who work in the schools to address the special and unique problems of Native American students?

N = 223 Yes: 123 (50) No: 100 (41) No Response: 22 (9)

48. Has your child ever had a scheduled visit in the school with a Native American home-school coordinator?

N = 221 Yes: 69 (28) No: 152 (62) No Response: 24 (10)

49. Would you feel more comfortable discussing your child's problems with a Native American counselor?

N = 205 Yes: 156 (64) No: 49 (20) No Response: 40 (16)

50. Have you had an opportunity to discuss with your child's regular school counselor various approaches to solving problems with which you have been faced?

N = 215 Yes: 104 (43) No: 111 (45) No Response: 30 (12)

51. Would you feel comfortable in discussing school-related problems your child is experiencing with members of the school staff?

N = 217 Yes: 165 (67) No: 52 (21) No Response: 28 (11)

52. Have you ever talked with your child's school counselor?

N = 227 Yes: 107 (44) No: 120 (49) No Response: 18 (7)

53. If you or your child complained to a school district official about a member of the school staff, do you believe your child would be retaliated against?

N = 234 Yes: 160 (65) No: 74 (30) No Response: 11 (5)

54. When you go to the school with a problem, do you feel the problem gets resolved?

N = 217 Yes: 96 (39) No: 121 (49) No Response: 28 (11)

55. Does the school help you to understand the meaning of the school curriculum?

N = 200   Yes: 114 (47)   No: 86 (35)   No Response: 45 (18)

56. Are there any school or school-related programs that encourage the involvement of parents either directly/indirectly in the education of their children?

N = 215   Yes: 115 (47)   No: 100 (41)   No Response: 30 (12)

57. Is there too much emphasis on the college bound curriculum in the local school district?

N = 171   Yes: 61 (25)   No: 110 (45)   No Response: 74 (30)

58. How do you rate the overall self-esteem and confidence of Native American students in the Great Falls school system?

```
                          x
1.........2.........3.........4
Excellent  Good    Average   Poor
```

N	Mean
236	3.09

*

1.0	2.0	3.0	4.0	No Response
5(2)	22(9)	127(52)	82(34)	9(4)

59. Have you ever received or seen a copy of the school district student code handbook?

N = 235   Yes: 65 (27)   No: 170 (69)   No Response: 10 (4)

60. Is there prejudice against Native American students in the Great Falls school district?

N = 215   Yes: 186 (76)   No: 29 (12)   No Response: 30 (12)

If yes, who discriminates?

N = 186	Other Students	Teachers	Administrators
	158 (85)**	130 (70)	66 (36)

61. Is there a need to offer bilinqual education courses in the Great Falls School District?

N = 222   Yes: 159 (65)   No: 63 (26)   No Response: 23 (9)

62. Does the local school district help Native American students and parents understand the meaning of students' standardized test scores? (Examples: school ability, achievement, and aptitude)

N = 222   Yes: 107 (44)   No: 115 (47)   No Response: 23 (9)

*"No responses" are ignored in computing the mean.

**Percentages are based upon 186"Yes" responses. Due to multiple responses, percentages total more than 100%.

63. Is there a need to develop in-school programs that will assist in reducing the tardiness and absenteeism rates of Native American students?

N = 211 Yes: 185 (76) No: 26 (11) No Response: 34 (14)

64. Are you familiar with the Montana Indian Teacher Training Program administered by Montana United Scholarship Service?

N = 231 Yes: 110 (45) No: 121 (49) No Response: 14 (6)

65. Do you believe that teachers in the local school district should receive instruction in Native American studies to better prepare them to teach Native American students?

N = 236 Yes: 219 (89) No: 17 (7) No Response: 9 (4)

66. Is there a need to develop recreation programs for Native American youth?

N = 235 Yes: 216 (88) No: 19 (8) No Response: 10 (4)

67. Are extracurricular activities important in keeping Native American children in school at all levels of education?

N = 238 Yes: 223 (91) No: 15 (6) No Response: 7 (3)

DEMOGRAPHIC DATA
(N = 245)

Sex (N = 228)

Male...86 (35)   Female...142 (58)   No Response...17 (7)

Age (N = 142)

18-25 yrs....36 (15)   26-30 yrs....24 (10)

31-35 yrs....33 (14)   36-40 yrs....16 (7)

41-45 yrs....12 (5)   46-50 yrs.....7 (3)

51-55 yrs.....8 (3)   56-60 yrs.....4 (2)

61-up.........2 (1)   No Response.103 (42)

Marital Status (N = 194)

Single.......35 (14)   Married.....110 (45)

Widowed......16 (7)   Divorced.....33 (14)

No Response..51 (21)

Children's Ages (N = 216)

NB-5yrs.....105 (23)*   6-10 yrs....124 (27)*   No Response...29 (12)**

11-15 yrs...120 (27)*   16-21 yrs...102 (23)*

Total Children........................451

Average No. of Children Per Parent...2.09

High School Graduation Status (N = 92)

High School Graduate...75 (31)

G.E.D..................17 (7)

No Response...........153 (62)

Average Grade Level Attained.........8.60

Employment Status (N = 150)

Employed...............82 (34)

Unemployed.............68 (28)

No Response............95 (39)

*Based upon N of 451 (total number of children).
**Based upon N of 245 (total number of parents).

Tribal Affiliation (N = 139)*

Chippewa-Cree	44 (18)
Blackfeet	27 (11)
Chippewa	17 (7)
Cree	12 (5)
Cherokee	6 (3)
Sioux	5 (2)
Crow	4 (2)
Gros Ventre	6 (3)
Landless	4 (2)
Assiniboine	3 (1)
Assiniboine-Sioux	3 (1)
Assiniboine-Cree	2 (1)
Kootenai	2 (1)
Little Shell	2 (1)
Turtle Mountain	2 (1)

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*Only response n once were included in these tallies.

National Indian Adult Education Association

Reva Crawford (Interim) (505) 783-5091/783-2532
CO-CHAIRPERSON CO-CHAIRPERSON

Sandy J. Smith Reva Crawford Craig Costa
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TESTIMONY TO:

THE SENATE SELECT COMMITTEE ON INDIAN AFFAIRS

The National Indian Adult Education Association is pleased that an opportunity has been made available to correct the misinformation which was supplied to Congress in the Spring Budget Hearings and in recent press releases on the Administration's budget requests. We have important facts to present to you. Unlike the Administration's generalized assertions and incorrect statements, it is well-documented facts which are offered for your use herein. These facts were available to the Administration's officials. That they have chosen not to supply you with the information not only appals us, but casts doubt on the sincerity of President Reagan's recently released policy statement on Indians.

You were told in the spring budget hearings that Indian adult education needs are served through a set aside in the Federal Adult Education Act appropriation. There is no such set aside. A set aside is available for Vocational Education in the U.S. Dept. of Education at a much lower figure than that quoted by Dr. Frank Ryan in testimony to Congress. Twenty-six projects are funded nationally with the Vocational 1% set-aside. Vocational training, as is well understood, is not the same kind of programing as adult education funds provided under Title IV, Part C which addresses adult literacy, English as a Second Language, and high school equivilency programing. Yet, inthe Administration's most recent budget request, the rationale for eliminating Title IV, Part C is that theneeds can be met through the Vocational set-aside. Even if the Vocational Education monies were able to be used for adult literacy programs (which they are not), the reauthorization of the Vocational Education Act contains no further provision for an Indian set-aside.

The only national survey of the education needs of Indian Adults which has ever been conducted was funded by the U.S. Department of Education to identify and describe the extent of problems of illiteracy and lack of High School completion among adult American Indians, Aleuts, and Eskimos. The comprehensive research which was conducted under the highest research standards and at great cost to the government and taxpayers is still laying unreleased in the U.S. Dept. of Education. The results of the research have been reviewed by Sec. Bell and the Director of Indian Education. Although the Administration has been unwilling to release this study for the past two years, they fully understand that their budget request to you is not supported by the facts, and that their budget rationale is seriously in error.

The National Survey confirms that:

1.) For skills for which there are national norms, Indians lag far behind the national norm. "The profile of Adult American Indians is characterized by a median education substantially lower than found in any other ethnic or racial group which has not recently immigrated into the United States. ...... Their ability to demonstrate knowledge results in scores that for some scales are less than half those found in the national norm." 1

2.) Even though the administration indicates a high concern for economic development on Reservations, the study confirms what practioners in the field have long known--jobs will not be forthcoming without a literate, English-speaking population per the following quote: ".. Indians are at such a disadvantage as compared to the U.S. population as a whole that they cannot be considered a serious contender for jobs...."

3.) The fact that States and BIA are not providing the monies necessary for Indian adult education as asserted by the Administration is confirmed in the profile of Indian-operated programs -- 95% of the operating budgets came from Title IV, Part C.

4.) It is also confirmed that English language skills are a major barriar to employment and self-sufficiency. Only fifty-six percent of the population spoke English at home with twenty-five percent of the adults unable to speak English at all, and a majority with difficulties communicating in English.

Taken in toto, the research confirms that there is an urgent need for Title IV, Part C Adult Education monies. Additionally, there is confirmation that substantial increases are necessary. The appropriation for Part C has fluxuated between three million and five million dollars since the inception of the Act. While other appropriations have grown, Part C has stayed at about the same level. The authorization level is for nine million dollars. The National Indian Adult Education Association urges Congress to appropriate up to the full authorization level for Title IV, Part C Adult Education Programs. For each dollar that you provide for adult literacy and high school completion programs for Indian adults, you save the taxpayers many additional dollars in welfare costs. Cuts in, elimination of, and failure to provide adequate funds for Indian adult education is truely false economy. We reach a segment of the Indian population which no other education service provider reaches. We provide the skills and information for Indian adults to become independent self-sustaining citizens.

The National Indian Adult Education Association requests your support for HR-11 which extends Title IV, Indian Education Programs through 1989, and action by your committee to increase Part C, Adult Education appropriations to the authorization ceiling. Additionally, your support is requested for the budget supplement introduced by Congressman Pat Williams of Montana for Title IV for fiscal year 1983.

On a national level funding for Indian Adult Education is erratic at best. The competitive nature of the funding results is seesaw programing whereby one group of students on one reservation receives classes for a while, and then another group is funded and the first group does without. The funding which is available presently takes care of only a fraction of the need.

A national data collection instrument is currently being devised to collect and display statistical information on the numbers of Indian adults who are participating in programs, their progress, numbers of graduates, and other pertainent information. Unfortunately, the federal agencies have never been able to implement a data management system which would insure that information is available which reflects the needs and progress. The National Indian Adult Education Association in reflecting the concern felt by members at this lack by taking a leadership role in collecting the information. This information will be shared with Congress in lieu of its availability from Federal Agencies.

The Association would be happy to supply further information to the Committee or individual members of Congress. Please let us know if there is further specific information with which we may supply you.

Thank you for your consideration of the urgent needs of our Indian adult students all over the United States.

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[1] Brod, Rod and McQuiston, John. "American Indian Adult Education and Literacy: The First National Survey." JOURNAL OF AMERICAN INDIAN EDUCATION, January, 1982. p 1-16.

PREPARED STATEMENT OF JOHN W. TIPPECONNIC III, PRESIDENT, NATIONAL INDIAN EDUCATION ASSOCIATION

Mr. Chairman and Members of the Committee. My name is John W. Tippeconnic, III. I am the President of the National Indian Education Association (NIEA). NIEA is a membership organization with a national constituency of 1300 members possessing vital concerns and involvement in the different programs designed to improve the status of Indian education. The Association is governed by a fifteen member, all Indian Board of Directors, who are elected by the membership and who represent diversified geographic and tribal backgrounds.

If the Reagan Administration has its way, the future of Indian education is in serious jeopardy. There is a state of frustration, confusion and uncertainty about what is going to happen in Indian education. The Administration has questioned the federal role in education by openly stating that the education of American Indians is not a trust responsibility. The result could be the disappearance of Indian education programs, including Bureau of Indian Affairs education. The President has already proposed the termination of Title IV in the FY84 budget. NIEA believes the Administration's position is erroneous and that human development or the education of American Indians is a trust responsibility. Treaties, court-decisions, Congressional reports and Acts support our claim.

NIEA is concerned with the totality of programs that affect American Indian students. However, our testimony will focus on the Administration's FY84 budget proposal to terminate Title IV, Indian Education Act programs. Certain recommendations will also be made concerning the Bureau of Indian Affairs and Indian Health Service budgets.

Title IV, Indian Education Act Programs

NIEA is strongly opposed to the Administration's proposed $16 million recission in 1983 and is deeply concerned about the proposed $1 million "phase-out and termination" budget request for FY84. The Administration contends that the termination of Title IV is justified given their "policy regarding separate funding for Indians not on reservations" and that "$250 million will be available to benefit Indian students participating in the Impact Aid, Chapter 1, Bilingual Education and Vocational Education programs." Other programs are also mentioned for which Indians are eligible participants.

NIEA questions the Administration's justification for the following reasons:

-Their policy of funding only reservation Indians is in direct violation of the Federal Government's responsibility for Indian education. Indian students have special educational needs regardless of where they live. We believe that Title IV was passed in recognition of the Federal responsibility for the education of American Indians. And the intent of Title IV was to be inclusive by having the provisions of the Act apply to all Indians, Eskimos and Aleuts in this country (S. Rep. 92-346).

-NIEA questions whether $250 million will be available to Indian students participating in Impact Aid, Chapter 1, Bilingual Education and Vocational Education programs. Especially at a time when these programs are experiencing budget reductions and when block grants to states are increasing. We request that this Committee on Appropriations ask the Administration for a detailed account of past, present and future Indian participation in these programs and clearly show how these programs will meet the educational needs of Indian students currently addressed by Title IV programs.

-We also resent the Administration implying that these programs (Impact Aid, Chapter 1, Bilingual Education, Vocational Education and others) will take the place of Title IV. Those programs are for different purposes and meet different educational needs. In fact, there have been two GAO audits that investigated duplication of services between Title IV and other education programs. Both found duplication to be mininal.

-NIEA opposes the Administration's proposal to terminate special Indian legislation and lump Indian students into programs with minority groups. Title IV represents Federal recognition and responsibility for Indian education and has nothing to do with other legislation designed to address problems of students who meet certain educational, social or economic criteria.

Impact of Title IV

In 1972 Congress passed the Indian Education Act in recognition of the special educational and culturally related academic needs of Indian students (as amended). The Act authorized three major programs, two (Parts B and C) provide discretionary funds to Indian tribes, Indian organizations and institutions. A fellowship program is also included. The third, and largest, program is Part A which provides entitlement funds to public schools and Indian Controlled Schools to meet the culturally related academic needs of Indian students. Since 1972 Title IV has developed into a major Indian education program that is recognized nationwide for its success in meeting the educational needs of Indian students. Selected comments about Parts A, B, and C follow:

Part A -An estimated 315,602 Indian students are being served in FY83. Termination of Title IV would result in over 300,000 students without programs to meet their educational needs.

-A national process evaluation of Part A in 1978 found that there were perceptions of improvement in all educational and social aspects of the Indian child. The improvement was directly attributed to Title IV. The evaluation went on to recommend that the funding of Part A should continue and be increased in future years.

-Meaningful parental involvement has increased significantly. Over 11,000 parents are actively involved in Part A Parent Committees.

-Approximately 6,500 professionals, paraprofessionals and support staff are employed by Part A projects.

Part B -During FY81 8,028 participants were involved in 70 projects. For FY83 4,208 participants are involved in 45 projects. The high figure of 8,028 represents only a part of the Indian population that have expressed educational need under Part B.

-The Educational Personnel Development and Fellowship programs have been highly successful in developing educational/professional leadership that is now making its presence felt in schools, tribes, professional organizations and governmental agencies.

Part C -During FY81 15,732 participants were involved in 50 projects. For FY83 9,739 participants are involved in 29 projects. The high figure of 15,732 represents a small part of the Indian population that have expressed needs in adult education.

-Activities have resulted in the reduction of the illiteracy rate, increased the mastery of basic skills, increased the development of relevant curriculum materials and increased GED attainment.

NIEA is concerned that the National Advisory Council on Indian Education has not been able to carry out its functions as mandated in the Indian Education Act. We request adequate funding for NACIE to meet its mandate.

NIEA opposes the Administration's belief that Title IV is an "unnecessary program." We feel Title IV should continue and be increased in funding if we are to continue the progress made since 1972.

RECOMMENDATIONS

Title IV, Indian Education Act Programs

1. That the Administration's proposed FY83 recission be rejected.
2. The full authorized funding level for Title IV programs in FY84 or at the very least the FY81 appropriation of $81,680,000.
3. That the Committee review the following data sources in making FY84 budget decisions:
   - A. The process evaluation of Title IV, Part A completed in 1978.
   - B. The results of the National Impact Evaluation of Part A, scheduled for completion this Spring.
   - C. The Follow-up Study of participants in the Fellowship and Educational Personnel Development Programs.
   - D. The results of the National Adult Indian Education Need Survey completed in 1981.

Bureau of Indian Affairs

1. NIEA is opposed to the FY84 proposed decrease in funding for the Johnson-O'Malley Program and the Higher Education Student Grant Program and recommends that both be funded at the FY83 levels.
2. NIEA recommends that the FY84 budget for Tribally Controlled Community Colleges allow sufficient funds to allow $4000 per Indian FTE.
3. NIEA recommends that no off-reservation boarding school (Mt. Edgecumbe, Concho, Wahpeton and Intermountain) be closed until the GAO report had been considered and until active and proper consultation has taken place with the affected Tribes.

Indian Health Service

NIEA recommends that the INMED Program continue to be funded as a line item in the Indian Health Service budget and that the FY84 funding be at the current level of funding.

In conlusicn, the Indian Education Act has faced a difficult and trying history. In October 1972, Congress appropriated $18 million to start the program. In January 1973, President Nixon impounded the appropriation and asked Congress to take the money back. Two law suits (Redman vs. Ottina and Minnesota Chippewa vs. Weinberger) led to a U.S. District Court decision that ordered release of the funds and directed the Office of Education to "obligate or expend" the funds by June 30, 1973.

During this time complications arose in the naming of the National Advisory Council on Indian Education and the establishment of the Office of Indian Education in the United States Office of Education/HEW.

NIEA recognizes that, time and time again, Congress has taken the leadership in maintaining and supporting growth in Title IV, Indian Education Act programs. Today, we are at another critical point in the history of Title IV. NIEA requests that Congress, thru appropriations, continue to exercise the necessary leadership and fund Title IV in FY84 (at least at the FY81 level) so that American Indian students across this nation will continue to receive services to meet their educational needs.

POSITION PAPER ON THE ADMINISTRATION'S PROPOSED TRANSFER OF ANA FROM DHHS TO THE BIA

President Reagan's 1984 Budget (Appendix to the Budget for Fiscal Year 1984, I-K46) proposes the transfer of the Administration for Native Americans (ANA) responsibilities to tribes from the Department of Health and Human Services (DHHS) to the Bureau of Indian Affairs (BIA) by April 1983; Furthermore, grants to non-tribal off-reservation, rural and urban Indian organizations and non-federally recognized tribes will be eliminated within three years.

This proposal compromises the legislative intent of the 1974 Native Americans Programs Act. This legislation established ANA, and recognized that an Indian is an Indian regardless of where the Indian resides, on or off-reservation. There are more Native Americans residing in off-reservation rural and urban areas than on reservation.

The ANA programs have been the major impetus for the promotion and development of balanced social and economic self-sufficiency for urban Indian communities. This concept has been effectively and efficiently managed by the DHHS. The transfer to the BIA would most certainly curtail and/or eliminate the progress achieved thus for. The BIA's historical and current operational record and relationship(s) with the urban Indian leaves much to be desired. The BIA's service delivery mechanisms are complex, inefficient, and ineffective; Whereas, the DHHS, specifically regarding ANA, overall has delivered its services in an effective, expeditious, and efficient manner.

Flagstaff, Arizona is in close proximity to six (6) Indian reservations (Kaibab Paiute, Hopi, Navajo, Havasupai, Yavapai Apache, White Mountain Apache) and has according to the 1980 U.S. Census an Indian population of 2,299. However, Flagstaff's Indian population increases to approximately 3,600 during the spring to fall months because Flagstaff relies to a great extent on the tourism industry. Most of the Native American employment is in the "menial" labor and services jobs (ie, motel maids, restaurant maintenance, etc) areas.

According to the 1977 State Region III Economic Development Outlook Publication, Southwest Indian Report - U.S. Commission on Civil Rights, and the 1980 Arizona Department of Economic Security study - "Arizona Native Americans", Native Americans are overrepresented in the unemployment, and underemployed areas. In Coconino County, Arizona, Indians have the highest rate of unemployment (11.8%) yet comprise only 28% of the total county population.

Furthermore, Indians in Coconino County experience greater incidences of related indicators of poverty than any other racial group. Among these indicators are the percentage of families and individuals being classified as poor by the Arizona Department of Economic Security (D.E.S.).

27% of the entire Coconino County population lives below poverty level. However 75% of the Native American population in Coconino County live below the poverty level. This is 25 times the percentage for Blacks (3%), nearly 20 times the percentage for

Hispanics (4%) and more than 4 times the percentage for Whites (18%). Indians have the highest percentage of poverty in Coconino County yet comprise only 28% of the total county population. Moreover, Indians make up only 6% of the statewide population; However, they represent 22.5% of those Arizonans in poverty.

It is with the ANA SEDS funds that NACA has begun to address the aforementioned socio-economic problems besetting the Native American. NACA through its JTPA funded Employment Assistance program has been able to garner more positive employment situations (unsubsidized) for the Flagstaff Native American population. In joining with the Flagstaff Chamber of Commerce, and the Coconino County Industrial Development Board (NACA's Board President - Robert Lomadapki is a member of the County's Industrial Development Board) negotiations are on-going to bring new "soft industries" into the county, with the specific purposes of providing employment for Native Americans and moreover to elevate the economy.

The transfer of the ANA to the BIA and moreover the elimination of grants to all non-tribal Indian organizations will most assuredly cost cities, counties, states, and the federal government more in the long run. Much time, effort and dollars have gone into the present ANA programs to effect the urban Indian problems, but tremendous strides in addressing the former disparities has occurred. The off-reservation, rural and urban Indian has oftentimes just exchanged reservation poverty for urban poverty; Nonetheless, the urban Indian organizations are impacting their communities in a most positive manner.

We respectfully beseech you to continue to support the funding of off-reservation, rural and urban Indian organizations, non-federally recognized tribes, and also the federally recognized "reservation" tribes. Furthermore, we ask you to oppose the transfer of the ANA responsibilities from the DHHS to the BIA by April 1983.

Robert Lomadapki
Robert Lomadapki
NACA Board Chairperson

Marjorie Washington
Marjorie Washington
NACA Board Secretary

Submitted by NACA Board of Directors, March 15, 1983.

NATIONAL URBAN INDIAN COUNCIL

To promote the social and economic self-sufficiency of American Indians and Alaska Natives.

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Portland, Oregon

Chief Executive
Gregory W. Frazier

February 23, 1933

The Honorable Mark Andrews
U.S. Senate
Washington, D.C. 20515

Dear Senator Andrews:

The 1984 budget recently communicated to Congress by President Reagan includes some proposals which we believe compromise the legislative intent of the Native American Programs Act. This legislation authorizes the Secretary of Health and Human Services "to provide financial assistance to public and nonprofit public agencies including but not limited to, governing bodies of Indian tribes on Federal and State reservations, Alaskan villages and regional corporations established by the Alaska Native Claims Settlement Act, and such public and nonprofit agencies serving Hawaiian Natives and Indian organizations in urban and rural non-reservation areas, for projects pertaining to the purposes of this Act." In his 1984 budget President Reagan proposes that "grants to federally recognized tribes will be administered by the Bureau of Indian Affairs beginning in April 1983. Grants to non-federally recognized tribes will be phased out over a 3 year period." The National Urban Indian Council has not, at this time, been appraised of the reasons for this questionable action. However, these proposals have been unanimously rejected by the Council's 200(+) affiliates throughout the United States.

The National Urban Indian Council and its affiliates are opposed to the transfer of ANA responsibilities to the Bureau of Indian Affairs principally because this would compromise the legislative intent and mission of the agency. We believe that Congress, in enacting this legislation, intended for it to serve all Native Americans not just those members of federally recognized tribes residing on a reservation. There are other questions we have concerning this transfer (e.g., the competency and qualifications of the BIA in administering this program, the lack of consultation with Indian, Alaska Native and Native Hawaiian leadership concerning the transfer, etc.); however, the affront to Congress demonstrated by this proposal is certainly the most objectionable. During the next

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few weeks a letter may be circulated by concerned, responsible legislators opposing this transfer. We hope that you are able to support this position and register with the Administration your disapproval of its tactics.

The National Urban Indian Council and its affiliates are also deeply concerned with the Administration's repeated attempts to exclude that half of the American Indian and Alaska Native population residing off the reservation in urban and rural areas from participating in the activities of ANA. The Native American Programs Act is one of only a few pieces of legislation that recognizes that an Indian is an Indian no matter where he or she resides, and that the federal government has a responsibility to meet their needs. Since taking office, the Reagan Administration has persisted in terminating the rights of Indians and Alaska Natives residing in off-reservation areas. ANA has provided a firm foundation on which to build self-sufficient off-reservation Indian and Alaska Native communities. Federal policies should not be determined by the Office of Management and Budget, nor should this Administration be allowed to eliminate benefits to over 700,000 American Indians and Alaska Natives. We hope that in your deliberations on the 1984 budget these considerations play a part in your decision making process.

In the months ahead you may be receiving additional information concerning the value of the Native American Programs Act and ANA from your off-reservation constituency. If you have any questions concerning the issues addressed in this correspondence or information you receive from your constituents, please feel free to contact me at your convenience. We look forward to the opportunity to assist you in your endeavors.

Sincerely yours,

Gregory W. Frazier
Chief Executive

NATIONAL URBAN INDIAN COUNCIL

To promote the social and economic self-sufficiency of American Indians and Alaska Natives.

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March 3, 1983

IA

The Honorable Mark Andrews
Chairman, Senate Select Committee
on Indian Affairs
6317 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Andrews:

The National Urban Indian Council respectfully submits the enclosed written testimony concerning Title V of the Indian Health Care Improvement Act, administered by the U.S. Department of Health and Human Services, for the consideration of the Senate Select Committee on Indian Affairs. The Council, representing the interests of over one-half of the total American Indian and Alaska Native population, is extremely concerned with the proposals contained in President Reagan's 1984 budget. We hope that the attached document assists you and your colleagues in your deliberations.

If there is additional information or assistance you require, please feel free to contact me at your convenience.

Sincerely yours,

Gregory W. Frazier
Chief Executive

GWF:can

ENCLOSURE

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TESTIMONY CONCERNING TITLE V OF THE INDIAN HEALTH CARE IMPROVEMENT ACT SUBMITTED BY THE NATIONAL URBAN INDIAN COUNCIL

IN OCTOBER OF 1980, THE INDIAN HEALTH CARE IMPROVEMENT ACT (P.L. 94-437) WAS REAUTHORIZED AND EXTENDED THROUGH F.Y. 1984. WHEN IT FIRST ENACTED THIS LEGISLATION, CONGRESS DECLARED THAT:

> "IT IS THE POLICY OF THIS NATION, IN FULFILLMENT OF ITS SPECIAL RESPONSIBILITIES AND LEGAL OBLIGATION TO THE AMERICAN INDIAN PEOPLE, TO MEET THE NATIONAL GOAL OF PROVIDING THE HIGHEST POSSIBLE HEALTH STATUS TO INDIANS AND TO PROVIDE EXISTING INDIAN HEALTH SERVICES WITH ALL RESOURCES NECESSARY TO EFFECT THAT POLICY."

HOWEVER, SINCE ITS INAUGURATION, THE REAGAN ADMINISTRATION HAS PERSISTED IN ITS ATTEMPTS TO UNILATERALLY ABROGATE ITS TRUST RESPONSIBILITY FOR ONE-HALF OF THE TOTAL AMERICAN INDIAN AND ALASKA NATIVE POPULATION THAT RESIDES IN OFF-RESERVATION RURAL AND URBAN AREAS.

AT THE TIME OF ITS LAST REAUTHORIZATION, CONGRESS SET SPENDING GUIDELINES FOR TITLE V. THE AMOUNTS (IN MILLIONS) AUTHORIZED, REQUESTED AND APPROPRIATED FOR EACH FISCAL YEAR SINCE ARE LISTED BELOW:

F.Y.	AUTHORIZED	REQUESTED	APPROPRIATED
F.Y. 1981	18.75	N/A	8.9
F.Y. 1982	21.5	N/A	8.1
F.Y. 1983	24.7	-0-	6.0*
F.Y. 1984	28.5	-0-	N/A

*AMOUNT APPROPRIATED WAS FOR 9 MONTHS.

As the chart on the previous page indicates, Title V is woefully underfunded. Additionally, the monies actually authorized have remained relatively constant throughout a highly inflationary period of time. As a result of this situation, the National Urban Indian Council hereby requests that Congress appropriate the $28.5 million authorized for Title V during F.Y. 1984. If this is not feasible due to present fiscal realities, the Council strongly urges Congress to appropriate $10 million to off-set the increase in the cost of living for the past three fiscal years.

NATIONAL URBAN INDIAN COUNCIL

To promote the social and economic self-sufficiency of American Indians and Alaska Natives.

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March 3, 1983

IA

The Honorable Mark Andrews
Chairman, Senate Select Committee
on Indian Affairs
6317 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Andrews:

The National Urban Indian Council respectfully submits the enclosed written testimony concerning the programs authorized by the Indian Child Welfare Act and administered by the Bureau of Indian Affairs, for the consideration of the Senate Select Committee on Indian Affairs. The Council, representing the interests of over one-half of the total American Indian and Alaska Native population, is extremely concerned with the proposals contained in President Reagan's 1964 budget. We hope that the attached document assists you and your colleagues in your deliberations.

If there is additional information or assistance you require, please feel free to contact me at your convenience.

Sincerely yours,

Gregory W. Frazier
Chief Executive

GWF:can

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TESTIMONY CONCERNING THE INDIAN CHILD WELFARE ACT SUBMITTED BY THE NATIONAL URBAN INDIAN COUNCIL

THE PASSAGE OF THE INDIAN CHILD WELFARE ACT OF 1978 BY THE 95TH CONGRESS WAS HERALDED BY INDIAN PEOPLE ACROSS THE UNITED STATES AS A POSITIVE STEP TOWARDS THE PROTECTION OF INDIAN CHILDREN AND FAMILIES. ITS DELINEATION OF CHILD CUSTODY PROCEDURES AND PROVISIONS FOR INDIAN CHILD AND FAMILY PROGRAMS WERE SEEN AS VITAL COMPONENTS IN THE PROCESS OF REVERSING THE TREND OF UNWARRANTED INTRUSIONS INFLICTED UPON AMERICAN INDIAN AND ALASKA NATIVE FAMILIES. THE REALITY OF SUCH UNFORTUNATE SITUATIONS HAS BEEN PARTICULARLY FELT BY THE ESTIMATED ONE-HALF MILLION INDIAN PEOPLE RESIDING IN URBAN OR OFF-RESERVATION AREAS. FAR FROM EXTENDED FAMILY AND TRIBAL SUPPORT MECHANISMS, INDIAN FAMILIES HAVE FALLEN VICTIM TO ADVERSE SOCIO-ECONOMIC CONDITIONS. THE CONSEQUENCES OF THIS HAS OFTENTIMES BEEN THE REMOVAL OF THEIR CHILDREN TO ADOPTIVE AND FOSTER CARE PLACEMENTS USUALLY IN NON-INDIAN HOMES, AND THUS THE PERMANENT BREAK-UP OF THE FAMILY UNIT AND AN OVERALL DETERIORATION OF INDIAN CULTURES AND TRADITIONS. THE PASSAGE OF THE ICWA PROVIDED HOPE THAT THESE SITUATIONS WOULD BE AMELIORATED.

THE BRIGHT PROMISE OF THE ICWA HAS BEEN TARNISHED BY THE BIA IN ITS REPEATED ATTEMPTS TO DIVEST ITSELF OF ITS TRUST RESPONSIBILITY FOR OFF-RESERVATION AMERICAN INDIANS AND ALASKA NATIVES. FOR THE PAST TWO FISCAL YEARS, THE BUREAU AND THE OFFICE OF MANAGEMENT AND BUDGET HAVE ENDEAVORED TO ELIMINATE FUNDING FOR NON-FEDERALLY RECOGNIZED INDIAN TRIBES AS WELL AS OFF-RESERVATION RURAL AND URBAN INDIAN POPULATIONS. ALTHOUGH OVER ONE-HALF OF THE TOTAL INDIAN POPULATION DOES NOT RESIDE WITHIN THE BOUNDARIES OF FEDERALLY

RECOGNIZED INDIAN TRIBAL RESERVATIONS, THE PRESENT ADMINISTRATION CONTINUES TO PRESS FOR THE TERMINATION OF THEIR STATUS AS INDIANS.

THE F.Y. '84 BUDGET REQUEST BY THE BIA FOR ICWA PROGRAMS IS $7.7 MILLION. THIS REPRESENTS AN APPROXIMATE DECREASE OVER LAST YEAR'S FUNDING OF $2.0 MILLION. THIS REDUCTION REPRESENTS THE ADMINISTRATION'S PROPOSAL TO ELIMINATE ALL GRANTS TO OFF-RESERVATION INDIAN ORGANIZATIONS AND NON-FEDERALLY RECOGNIZED GROUPS. THE NATIONAL URBAN INDIAN COUNCIL ADVOCATES FOR FULL FUNDING OF THE ICWA PROGRAMS DURING F.Y. '84 AT A $15 MILLION LEVEL. THIS WOULD INCLUDE FUNDING FOR THE PREVIOUSLY DELINEATED GROUPS THAT THE BUREAU HAS PROPOSED TO BE ELIMINATED, AS WELL AS PROVIDE ADDITIONAL RESOURCES FOR THE INDIAN CHILD WELFARE NEEDS THAT GO UNMET. FURTHER, THE NATIONAL URBAN INDIAN COUNCIL REQUESTS THAT CONGRESS INVESTIGATE THE POSSIBILITY OF INCREASING THE FUNDING RATIO FOR NON-FEDERALLY RECOGNIZED GROUPS (INCLUDING OFF-RESERVATION URBAN AND RURAL ORGANIZATIONS) FROM THE PRESENT 25% TO AN AMOUNT THAT REPRESENTS A MORE EQUITABLE DISTRIBUTION.

STATEMENT OF DR. HELEN M. SCHEIRBECK, DIRECTOR, NATIVE AMERICAN PROGRAMS SAVE THE CHILDREN FEDERATION

Mr. Chairman and Members of the Committee:

This statement on the FY 1984 budget for services to American Indians is submitted on behalf of the Save The Children Federation. As you may know, Save The Children Federation is a private, nonprofit organization that has been in existence for more than four decades. Through its efforts, sponsors have been matched with needy children in the United States and throughout the world. Through our sponsorship program, we have seen the living conditions and opportunities to thrive of many children dramatically changed.

Over the years, Save The Children Federation has had the opportunity to work closely with Indian Tribes and communities in seeking sponsors for Indian children. Through our field operations, we have had a first hand opportunity to observe not only the pressing need for economic development in such communities but the dramatic impact that shifts in federal funding policy such as those proposed in the FY 1984 budget can have on these communities in exacerbating that need.

We are especially concerned by the inherent contradiction that exists between the present economic conditions in the Indian Tribes and communities we serve and how the FY 1984 budget submitted by the Administration proposes to deal with these conditions. More specifically, one of the most pressing problems in many Indian communities today is the high level of unemployment. At a point in time when the national unemployment rate is 10.2%, the unemployment rate in many Indian Tribes and communities is between 70% and 85%. In other words, out of every 100 employable adults as few as 15 are presently employed. While there are many factors that have contributed to the level of unemployment, one of the most pressing ones has been the drastic reduction in federal funding in the past two years — a primary source of employment opportunities in many tribes and communities.

The impact of the economic recession on these communities has several facets. First, it robs people of their respect and sense of dignity and confidence in themselves because they cannot find work, support their own families, or lend a helping hand to other members of their community. Second, it forces families to migrate to urban areas where they hope there will be better prospects for employment. However, in the cities instead of opportunities they often encounter lack of decent housing, lack of job training or job opportunities, and overt racial discrimination. Moreover, they turn for assistance to a state or local social services system for assistance that is already over-burdened because of reductions in state and local sources of federal funding.

Our experience in working with American Indian and other developing nations has confirmed our belief that to break the cycle of poverty, there must be an unswerving commitment to longterm economic development. The resources must be made available to develop, nurture, and stabilize those infrastructures necessary to sustain a healthy local economy. This translates into adequate roads, financial institutions, service institutions, housing and ecucational facilities to attract and keep economic enterprises in the area.

A preliminary review of the FY 1984 budget raises serious questions as to its responsiveness to the needs of Indian people. The budget proposal submitted for the Bureau of Indian Affairs recommends only modest increases in the funding levels for economic development and employment programs. At the same time, we understand that there will be a reduction of about 17% in the amount of funds available to Indian Tribes and communities under the Job Partnership and Training Act administered by the Department of Labor. Given the magnitude of unemployment in these communities, it is questionable that anything less than an agressive, comprehensive, adequately funded program can effectively redress the epidemic of unemployment in reservation and rural Indian communities.

An adequate plan for economic development, at a minimum, should provide for educational and social services, development of community infrastructures, and funding to attract outside business enterprises as well as develop local business initiatives. In contrast, however, the FY 1984 budget submitted by the Bureau of Indian Affairs recommends reductions in funding for education, tribal government services, and housing. The Department of Education is recommending terminating educational assistance to Indians not living on the reservation after FY 1984. Moreover, the Department of Health and Human Services has testified that Indians living in urban areas will be eligible for services through block grants to states and other state and local health service delivery systems. Presumably, they will no longer receive direct services through the Indian Health Service. In short, there will be less money for services for those who remain on the reservation and ineligibility for many services for those who leave the reservation. Granted, there are areas of funding that remain intact, such as natural resources development. However, these budget items will in reality benefit only a small number of the tribes.

Given the critical human need in reservation and rural Indian communities, budget cuts of the magnitude proposed cannot be implemented without exacting the price of human suffering and degradation. Whatever decision is made by the members of the Select Subcommittee will shape the future of Indian people for decades to come. In the many years I have worked with Indian Tribes and communities throughout the United States, I have seen communities struggle to survive and preserve their cultural heritage. As a result of the federal programs of the 1960's and the 1970's, I have seen the quality of life in these communities gradually improve. I have seen the young people go on to college and return to serve their communities as leaders and as professionals.

However, the dramatic budget cuts and phasing out of programs that benefit Indians in the past two years have begun to undermine these accomplishments. The slow, delicate process of community development has come to a halt. Unfortunately, children are among those most adversely affected by these changes in funding policy.

As an organization, Save The Children is deeply committed to alleviating the suffering that the current economic climate has caused in Indian communities. However, we recognize the limits we must operate within. It has traditionally been our philosophy to encourage local economic development by supplementing existing resources. We are not in a position to provide the primary source of funding for the range of services and institutions requisite to developing a healthy economy at the tribal or community level. We are fearful that if the federal funding for such services and institutions is reduced or eliminated, those institutions whose development we have facilitated will become overburdened and cease to operate effectively or collapse under the added burden.

In concluding, we would ask you to carefully consider the wisdom of effecting reductions in program funding when those reductions will undo the work and accomplishments of more than a decade. We ask you to carefully consider the wisdom of effecting the proposed budget savings when they jeopardize the future wellbeing of Indian children. We urge you to consider the cost in human suffering when an opportunity is denied to an individual to improve the quality of his or her existence and to thrive.

House Appropriations Sub-Committee
on Labor, Health, Human Services, Education,
and Related Agencies

February 18, 1983

Presented By
Jimmie C. Begay
Executive Director
Rough Rock Demonstration School

My name is Jimmie C. Begay and I am representing Rough Rock Demonstration School situated on the Navajo Reservation in Rough Rock, Arizona.

Mr. Chairman and members of the Sub-Committee; I appreciate the opportunity to describe my concerns pertaining to the proposed budget revisions for fiscal year 1983-84 with regard to the needs of Native Americans.

I specifically want to address the issues of proposed cuts to Title IV, and Title VII, Bilingual Education Program funding.

Title IV has provided much needed agumentation by our basic Indian Student Equalization Program (ISEP) funding. Development of our instructional services through the implementation of trained teacher aides and curriculum enrichment materials, have greatly increased our ability to provide meaningful educational programs for children. Academic achievement has increased. Improved self-concepts within our student population have been marked.

Title VII funding has supported the valuable bilingual component of our educational program at Rough Rock Demonstration School. The stated goal of the Reagan Administration to completely restructure bilingual education program so that they are responsive to the shallow goal of preparing students to study only in English is anathema to the goals of Indian people and the on-going bilingual programs already in progress.

Relevant bicultural and bilingual programs are necessary to the identity of our children as integrated and capable members of society. There has been strong parental involvement and our parents see these programs as critically important.

The students, parents, and staff of Rough Rock Demonstration School strongly support the continuation of Title IV and Title VII program fundings. Most Indian students enter school without a functioning knowledge of the English language and their language facility does not change by administrative fiat of the government.

The goals and philosophy of Rough Rock Demonstration School have been strongly committed to a quality bilingual, bicultural program since its birth as a school under P.L. 93-638 to provide bi-cognizant, balanced students with an integrated sense of self-worth who are capable of functioning in a positive manner necessitates the continuation of such programs as would be drastically impared through the proposed cuts in Title IV and Title VII funding.

I implore you not to undermine the hard-won progress of our Native American youth - please support continued funding in these vital areas.

Nevada Urban Indians, Inc.

917 EAST SIXTH STREET
RENO, NEVADA 89512

TELEPHONE: 329-2573
329-2574

February 18, 1983

House Subcommittee on Interior and Insular Affairs
Senate Select Committee on Indian Affairs
Testimony

Nevada Urban Indians, Inc., a non-profit Indian organization founded in 1977 to represent and provide services to the 2,000 urban Indian people of the Reno/Sparks metropolitan area, wishes to enter for the record this testimony in support of:

1. Re-enactment of the Indian Health Care Improvement Act, P.L. 94-437, including Title V, Urban Indian Health, for another seven (7) year period, and
2. An authorization and appropriation level for Urban Indian Health of $10 million for FY 1984 and $12 million for FY 1985 and 1986.

Reasons for these requests are:

A. The full intent of the Act has not been realized. The previous seven (7) years was only enough time to scratch the surface of the documented poor health of the Indian people of this country.

B. The health needs of urban Indians were not addressed previous to the Indian Health Care Improvement Act, therefore, years of neglect cannot be resolved within a seven (7) year period.

C. Today there are thirty-seven (37) urban Indian health programs as a result of the Indian Health Care Improvement Act. Although these programs have made substantial gains in meeting the critical health needs of the urban Indian population, it is unrealistic to expect thirty-seven (37) programs to greatly impact the health needs of half of the U.S. Indian population, as according to the 1980 census, half of all Indian people reside in urban areas.

D. The continuation of established programs is essential if continued and consistent gains are to be made over a long term period. If programs are not continued in sufficient force, crisis health care will return. It is proven that crisis care is expensive in both dollars and human loss.

E. Sufficient funding has not been made available as specified in the Urban and Tribal Specific Health Plans and by Congress in establishing the authorization levels for the Act in 1977. For example, Indian Health Service in its report to Congress on the unmet health needs of the urban Indian population, the Urban Specific Health Plan, acknowledged that the current level of funding for Indian health projects barely begins to meet the health needs of urban Indians. The funding level for FY 1983 is $6 million which represents a 10% cut from the 1981 level. The Indian Health Service report called for a funding level of $28 million for FY 1981 through 1984. This funding level represents a wide gap between NEED and services provided to meet the need.

F. Passage of the Indian Health Care Improvement Act will again provide an avenue and reaffirm the government's responsibility to the indigenous people of this country as first established through treaties, stated in the Snyder Act, and adopted in 1977 by the first passage of the Indian Health Care Improvement Act.

G. The Indian Health Care Improvement Act supports the original intent of the federal government's responsibility to ALL of the native people of this land, regardless of their residence, by making provisions for urban, rural, and reservation Indians.

Nevada Urban Indians, Inc., has maintained a health program for five (5) years, a direct result of the Indian Health Care Improvement Act. The Act allowed the urban Indian people of Reno/Sparks the capabilities to assess and plan their health care needs, make the local health care system accessible, develop needed, non-existent services, and coordinate with available resources; all for the improved health of infants, children, adults, and elders. If viable and consistent progress is to be maintained and furthered, the Act and sufficient appropriations are necessary. We, therefore, strongly urge you to consider and support our requests.

Nevada Urban Indians, Inc., also, supports the testimony entered by the American Indian Health Care Association, presented in behalf of the urban Indian health programs and the people they serve.

Respectfully submitted,

Karen Burnette

Karen Burnette
Chairperson

STATEMENT OF NEZ PERCE TRIBE OF IDAHO
BEFORE THE
SENATE SELECT COMMITTEE ON INDIAN AFFAIRS
ON THE
BIA, IHS AND DOE BUDGET REQUESTS

February 23, 1983

The Nez Perce Tribe of Idaho would like to bring to the Committee's attention Indian budget matters which are of great concern to us. You are well aware of the tremendous economic impact which last year's budget reductions had on Indian tribes generally. It is against this background that we urge the Committee to scrutinize with great care the further proposed budget cutbacks which we discuss below.

A. Bureau of Indian Affairs

Education-School Operations

The proposed budget cuts and program eliminations in BIA School Operations will have a severe adverse impact on the quality of education Indian children receive. The proposed $2 million decrease from the F.Y. 1983 budget assumes the closure of three boarding schools and the transfer of ten Alaskan day schools to the State. Additionally, much needed pre-kindergarten programs, serving 1,084 Indian children, would be totally eliminated. The closing of these schools will result in a loss to Indian children of programs especially designed to meet their social and cultural needs. The elimination of the pre-kindergarten programs will deny Indian children the proven benefits of early education services for the disadvantaged. We urge the Congress to appropriate adequate funds to retain these invaluable education programs.

Social Services

The proposed cuts in social services will come from the Indian Child Welfare Act funds and from general welfare payments by eliminating funding for off-reservation Indians. This proposal ignores the inextricable link between Indians on and off the reservations. With the massive unemployment and numerous social ills on the reservations, many potential grantees are forced to move to urban areas, while members of their families remain on the reservations. The decrease in these funds will exacerbate the existing poverty and social problems among Indians on and off the reservations. Social Service funds must be increased for F.Y. 1984.

Economic and Employment Development

The present requirement that programs funded under the Economic Development Initiative obtain 75% of their funding from non-federal sources discriminates against tribes such as ours which are not rich in resources and, therefore, are unable to attract substantial private capital investment. The requirement should be changed to reflect this concern, which Congress raised last year, and to ensure that those tribes which are most in need are eligible for development funds. Additionally, any cuts in employment development funds would be devastating to our Reservation, which is already waging a daily battle against overall unemployment running close to 50% and youth unemployment of 100%. The potential Indian recipients must not be penalized by reduced funding in these areas due to the structural problems in the program which the BIA has not yet addressed.

Natural Resource Development

Preservation and development of the natural resources on our Reservation is essential to our economic self-sufficiency. The proposed budget for natural resource development is extremely inadequate to ensure both of these goals. In particular, the proposal for litigation support funds ignores the reality of inflation and reflects an amount that makes it infeasible in many cases to pursue negotiation or litigation designed to recover or protect our natural resources. We urge the Congress to increase the litigation support funds.

B. Indian Health Service

The Administration again proposes to eliminate the Community Health Representative Program. The $25 million budgeted for the CHR Program last year was well spent on the delivery of health services to Indians who otherwise would not receive care because of their geographical and physical isolation. We urge the Congress to retain the CHR Program.

C. Indian Education - Title IV

The Administration has proposed the complete phase-out of Title IV by a $13 million recission of F.Y. 1983 funding and the budgeting of only enough money in F.Y. 1984 to close out the remaining grants. While the Administration states in its budget that it plans to reassign the covered education activities to appropriate executive departments, no effort has been made in that direction. The total elimination of Title IV would leave large numbers of disadvantaged Indian students with no other opportunity to obtain bilingual and vocational education services. We urge Congress to retain these programs.

D. Administration for Native Americans

The Administration's proposed reduction of 25% in the ANA budget, elimination of funding for both Training and Technical Assitance and Research and Demonstration projects, and transfer to the BIA of grant administration will undermine the efforts towards Indian self-sufficiency. The reduced ANA budget will mean that significantly smaller amounts of money will be available to promote economic and social development for the tribes. The proposed program eliminations will restrict the tribes in pursuing technical and innovative economic development programs, and the transfer of grant administration to the BIA will make the tribes' priorities subservient to those of the BIA. Congress must not support these proposals that will undermine Indian self-determination and self-sufficiency.

Testimony of Joseph B. Webb
North Carolina Department of Public Instruction

Mr. Chairman and members of the Subcommittee, I am Joseph B. Webb, Special Assistant for Federal Programs, North Carolina Department of Public Instruction. It is a pleasure and an honor for me to appear before you today in support of Title IV of the Indian Education Act.

According to the 1980 census, there are 65,000 Indians living in North Carolina; this is the largest Indian population in any state east of the Mississippi River. The North Carolina Indians are members of eight tribes: Catawba, Cherokee, Coharie, Haliwa Saponi, Lumbee, Merrihan, Person County, and Waccamaw Siouan. Only the Cherokee are federally recognized; the other seven tribes, which are state recognized, non-reservation Indians, are unable to apply for services or funds through the Bureau of Indian Affairs. There are 16,789 American Indian students attending 113 public schools in North Carolina while 1700 Cherokee students attend the BIA Federal School.

Since 1973 most of our North Carolina Indian students have been served through Title IV-A of the Indian Education Act. Projects are operated by 25 local education agencies through federal grants totaling almost $2 million. Proposals are developed by the school districts and Indian parents. Funds are paid directly to local education agencies from the U. S. Department of Education. Title IV-A provides the only money that public schools receive specifically for services to Indian students. State funds are available in the same per pupil amounts for Indian students as they are for non-Indian children.

North Carolina's Indian children have special needs that are currently being met only through the use of Title IV-A allocations. Cultural differences and barriers dictate that unique services be provided for these students.

Various activities are carried out depending upon the needs of the students. The programs include counseling, remedial instruction, cultural enrichment, tutoring, home-school coordination, youth activities, creative arts, career exploration, student transportation, medical and dental services. Indian Education funds are used for supportive services only when other resources are unavailable.

High absentee and dropout rates as well as under-achievement have historically been problems among Indian students. A feeling of belonging is being fostered through parental involvement, student clubs, and youth opportunities activities. Consequently, dropout rates and absenteeism are beginning to decline. At the same time, remedial, tutorial, and enrichment programs are helping to raise achievement scores. On the North Carolina Competency Test for high school graduation, Indian students have made dramatic gains. In 1978, 79% of the Indian students passed the reading test and 72% passed the math test. In 1982, 87.5% passed the reading test and 83.1% passed the math test. Annual test scores in reading and mathematics show the similar progress at each grade level tested.

While we are excited about the progress being made by our Indian students, we are concerned that funds might not be available to continue these successful programs. President Reagan has proposed a 37% rescission in Title IV-A in 1983 from an appropriation that was already $6.5 million below the previous year's level. In addition he has requested total elimination of funding for the program in 1984. If Congress were to approve this proposal, the public schools of North Carolina would lose 100 part-time and full-time staff members working solely with 16,432 Indian students.

The Administration has indicated that Johnson O'Malley, impact aid, ECIA Chapter 1, and vocational education funds could be used to continue Title IV programs. This proposed solution has little practical value in North Carolina. The State's public schools have never received Johnson O'Malley allocations. Impact Aid funds to the State are being reduced by two-thirds, and many local education agencies with high Indian enrollments do not qualify for impact aid funds. North Carolina's Chapter 1 allocation will be reduced by $ 7 million in FY 1983 and an additional $10 million in FY 1984. The President has proposed a 42% reduction in vocational education funds. How do we continue the Indian programs with other federal funds when we are faced with such drastic reductions in those programs?

The picture at the State level is not much brigher. Even though the state has made a commitment to Indian children and the Department of Public Instruction has established a Division of Indian Education, revenue is not available to start new programs or continue those dropped by the federal government. The Governor has instructed local education agencies to reduce their State expenditures by 2% during the current year, and the outlook for 1983-84 is not any better. At the local level, many Boards of County Commissioners are instructing Boards of Education to hold the line on their budget requests.

This information is provided to indicate that our only hope for continuing special programs for Indian students in the North Carolina public schools is continued funding of Title IV-A of the Indian Education Act. We urgently request that you reject the President's proposed rescission in FY 1983 funds and that you appropriate adequate funds to continue these programs in FY 1984.

NORTHWEST PORTLAND AREA INDIAN HEALTH BOARD
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Testimony of the NORTHWEST PORTLAND AREA INDIAN HEALTH BOARD
before the Senate Select Committee on Indian Affairs.

Mr. Chairman, Honored Members of Congress and Guests:

The Northwest Portland Area Indian Health Board, representing the thirty-four federally recognized tribes in the states of Washington, Oregon and Idaho, and as delegated by the tribal governments by resolution, appreciates this opportunity to meet with you today to express our deep concern with the proposals of the Administration for budget reductions and policy changes in the Indian Health Service in FY 1984. Other related health issues are also addressed.

The provision of health services to Indian people is the responsibility of the Indian Health Service. This responsibility has been confirmed repeatedly by Congress through legislation, as well as through the courts. In the Pacific Northwest, over 100,000 Indians live on reservations, in urban areas and in small communities. Of these, approximately 70,000 Indians received health services through the Indian Health Service system last year, and this number will increase in FY 1984. Aside from the natural population increases among Northwest tribes of over 2% per year, we have an undetermined but significant number of people returning to the reservations and becoming eligible for health services through IHS.

The FY 1984 IHS budget is not sufficient to provide adequate health services to our Indian population. This budget will not even maintain the same very limited level of health care provided by IHS in FY 1983, representing a continuing erosion of the Indian health care system which has been going on for several years.

According to the Highlight Statement in the IHS budget justification, "the FY 1984 budget request will continue to maintain approximately the same level of health services as projected for FY 1983." It also states that "IHS...will not diminish its interest or support within existing resources, for preventive health activities." These are encouraging words, but it is hard to see how they are born out by the facts of a budget whicheliminates the CHR and urban health programs, registers workload decreases in many other categories, contains no funds for upgrading or replacing outdated facilities, and leans heavily upon questionable "reimbursements" for a significant portion of the budget.

REIMBURSEMENTS-

We oppose the integration of over $30 million in projected reimbursements from Medicare, Medicaid, and third-party providers as a large part of the IHS base budget, covering such necessary expenditures as mandatory cost increases for clinical services and preventive health, staffing costs for new facilities, and the Equity Health Care Fund. This is a significant departure from past budgets and entails substantial risk. What are the contingency plans to be followed if these reimbursements fall far short of the optimistic estimates? Even if these sources were potentially liable for $70 million in payments, the workload of processing the claims is more than our present IHS staff could accomplish.

The projected collection of $40 million in Medicare/Medicaid funds is much larger than the amounts collected in the past. We are concerned that this estimate is unrealistic and recommend that whatever amount is collected be spent as legally mandated in PL 94-437 - to correct deficiencies in hospital and clinic facilities to bring them up to national standards.

Although third-party collections have never been attempted, this source is projected to bring in $30 million in FY 1984. IHS acknowledges that there are numerous obstacles to the collection of any significant amount of third-party payments.

Some of these obstacles will require legislation to surmount. Will that be accomplished by October 1, 1983? If legislation to permit third-party billing goes into effect, tribes which self-insure their employees will be forced to drop these insurance plans, as most would be unable to afford the increased cost. Also, as we understand it, in order to make an insurance company legally liable for health services provided by IHS, the recipient of the service must also be legally liable. IHS would have to institute a system to bill individuals for IHS services. This would be an infringement of the federal/Indian trust responsibility and an ominous precedent for the future. We oppose the use of third-party collections as a part of the IHS budget until these problems and questions have been resolved.

CONTRACT CARE-

This program is scheduled to receive an increase of 6.6%, representing a continuing trend of increasing contract care funding at less than half the rate of inflation in the cost of medical care. Contract health funds are already inadequate in the Northwest. For FY 1983, we needed 21% more than our actual allocation. We have been able to receive urgent and emergent care only for the last two years. Since we are without an IHS hospital, Northwest Indians do not have the same access to services as to tribes in other parts of the country, who have been able to receive a full range of hospital services. The contract health care budget should be increased.

We protest any efforts to move contract health care funds into the Equity Health Care Fund subsequent to elimination of IHS services to non-Indians. There will be no surplus funds as a result of this change. Since IHS did not receive an additional appropriation when non-Indians were made eligible for clinical services, it is not logical that funds should now be withdrawn because these individuals have been declared ineligible.

HOSPITALS AND CLINICS -

The request for a 4% increase in appropriations is inadequate. In FY 1983 the Portland Area will have a deficit of $2 million in hospitals and clinics; nationwide the deficit is estimated at $28 million. The financial problems in this category are very serious. We also oppose any dependence upon expected reimbursements to fund needed mandatory cost increases. This could cause our clinics to be closed down if funds run out.

PREVENTIVE HEALTH CARE -

In the past few years, preventive services have been cut back, including the Community Health Representative program, public health nursing, and health education. Services have been lost through the State Block Grant program. Our Northwest tribes are committed to preventive services as an integral, and very cost-effective, part of the Indian health care system.

The CHR Program is vital and must be preserved. Many Northwest reservations are very isolated, with CHR's as the only health workers. They are often on duty seven days a week, 24 hours a day. We welcome a nationwide evaluation of this program because it will show how necessary and cost-beneficial it is. However, to be objective and accurate, any evaluation should include time spent in the field with the CHR's. Training funds for CHR's should be restored; CHR's have not been able to receive any training for several years.

Maternal and child health services are also of great importance. High infant mortality rates have been brought down significantly, but they are still much higher than those in the general population. Now MCH Programs are being cut back; several have closed down. This partially due to the MCH State Block Grants which do not give tribes a chance at these funds. States do not use these block grants for the benefit of the tribes. The nurse practitioners in the former Northwest Indian Improved Child Health Projects should be made permanent IHS employees.

MENTAL HEALTH-

IHS and tribal mental health programs are overloaded in the Portland Area. High unemployment and loss of federal services are leading to many mental health problems. IHS mental health programs have no travel funds, so Northwest tribes without clinics cannot receive services. We oppose the program reduction in this category; additional funds are needed here.

More research is needed to dertermine the causes of mental problems and alcohol and drug abuse in each tribal culture and to develop prevention programs to improve Indian mental health.

ALCOHOLISM-

This extremely severe problem is worsening with the economic hard times. Program increases have been inadequate to maintain the same level of services. No new programs can be funded, as NIAAA funds have gone into the State Block Grants. We oppose the program reduction in this improtant area. An increase is needed to maintian existing programs and fund new ones.

CLINICAL FACILITIES-

There are numerous old, outgrown health clinics in the Northwest which need to be replaced. Due to limited space, exams are being conducted in hallways and basements. In their present condition, many of our clinics would not pass the Joint Commission on Accreditation of Hospitals review. If the federal government wishes to increase Medicare/Medicaid collections and other third-party income, these facilities must be improved or replaced.

At present, our Northwest patients are unable to obtain dental bridges and crowns. A dental laboratory based at one of our Service Unit Clinics would be cost-effective and would increase dental services in the Northwest.

SANITATION FACILITIES-

There is a continuing need in the Northwest for sanitation facilities construction. This is an important preventive health measure which is of great importance to our tribes. Even if new housing construction is slowed, there are many existing sanitation systems which are substandard and a health hazard.

HEALTH ADVISORY BOARDS -

These boards are an important part of the Indian health care system. They provide a vital communication link with tribal governments, as well as providing an organized mechanism for advising IHS of the needs and priorities of the Indian clients and tribal governments. If these boards are lost, Indian people will have less influence over their own health care, and it will be a severe set-back for self-determination. We urge Congress to support health advisory boards.

TRIBAL MANAGEMENT/TRIBAL TRAINING-

These programs are needed to assist tribes in developing their management capabilities. Northwest tribes did not receive any tribal training funds last year and none are proposed for FY 1984.

Tribal management funds are very minimal and vulnerable to diversion by IHS. Many tribes now wish to take their health care into their own hands. We need these programs to help tribes improve efficiency and pursue self-determination.

EQUITY FUNDS-

The FY 1983 budget requirement that $5 million be taken out of the IHS services budget to go into the Equity FUnd is alarming. This should not be a nationwide across-the-board cut as Northwest tribes are at a lower service level than other areas.

There are problems with the administration of the Equity Fund in the Portland Area. With the federal budget appropriation coming so late, IHS Headquarters is not sending out new Equity allowances until August. The Portland area IHS then requires the tribes spend these allowances by the end of the fiscal year. This gives tribes two months to develop proposals, get them approved, and spend a year's allocation. This is very inefficient and disrupts continuity of care. The tribes should either be awarded this money earlier in the year or be given contracts which overlap the fiscal year.

URBAN HEALTH PROJECTS -

If any of our three Northwest urban health programs in Spokane, Seattle, and Portland closes down, we foresee a huge clientele increase in IHS and tribal clinics. We would not be able to absorb this load.

INDIAN HEALTH SERVICE ADMINISTRATION-

Our tribes are continually frustrated by our lack of participation in budget, development and decisions. According to the Indian Reorganization Act, the tribes are to receive timely information on the budget, but this is not taking place. The FY 1984 budget was not available to us until one week before these hearings.

Another problem related to the budget is that IHS is too far down in the budget hierarchy. This means that too many other departments must approve every move by IHS which is inefficient and dilutes any influence tribes might have on budget and policy decisions. IHS should be moved up to the Assistant Secretary level, the same level as BIA.

For the past five years, IHS has not received full funding of the Civil Service Pay Act increases. Last year and the year before, over 30% of these increased costs had to come from funds intended for service delivery. For the five year period, this has amounted to in excess of $2 million in the Portland Area, diminishing services for Indian patients.

IHS is having serious problems in recruiting and retaining physicians, nurses and other health professionals. The Commissioned Corps is an important resource which we cannot afford to lose. The National Health Service Corps is also an important resource in obtaining medical personnel for IHS and the tribes. We are very concerned that it is being phased out. The new "private practice option" within the NHSC also reduces personnel available to IHS. Indian programs should be in the highest priority for NHSC placements.

IHS should be given reduction-in-force authority to deal with budget shortfalls. We deplore the necessity for this, since IHS has far too few medical personnel in Northwest clinics. However, when the budget is inadequate, it is inappropriate for the budget to go to administrative salaries, rather than direct patient care.

Long-term training for IHS personnel should not be reinstated. Staff should come to IHS fully trained and should not be educated at our expense.

HEALTH CAREERS-

There is a great need for more Indian people in the health professions, and to achieve this goal, health recruitment and scholarship programs are critical. These educational programs should be provided to Indian people as part of the federal trust responsibility. PL 94-437 scholarships are very necessary to attaining more Indian health professionals. The Indian Health Careers Opportunity Progams are also very important as they motivate Indian students to seek health careers and assist them in obtaining financial aid, college enrollment, and counseling, as well as helping them stay in school. We need to assure that Indian HCOP's are funded in FY 1984. There is also a great need for health careers recruitment programs directed at Junior High and Grade School students.

Eligibility for Indian Health Service should be determined by the tribes themselves. Recent and proposed changes in these criteria are of great concern to our tribes. Each tribe should have the right to direct its health care entitlement to those formally recognized as belonging to the tribal community.

NEWLY FEDERALLY-RECOGNIZED TRIBES-

When the federal government restores the federal recognition of a tribe, thereby making more people eligible for Indian Health Services, additional funds should be provided by IHS to serve this expanded service population. In recent years, several Northwest tribes have been restored without an appropriation. This has resulted in a decrease in services for all tribes.

THE INDIAN HEALTH CARE IMPROVEMENT ACT -

PL 94-437, the Indian Health Care Improvement Act, will soon be coming up for reauthorization. Work has already begun to continue and strengthen the health programs funded under this act. We will need the cooperation of the Appropriations Committees next year and in future years to obtain adequate appropriations to implement this important legislation.

Thank you for the opportunity to testify here today.

PREPARED STATEMENT OF TIMOTHY LOVE, GOVERNOR
PENOBSCOT NATION OF MAINE

Good morning, Mr. Chairman. My name is Timothy Love and I am the Governor of the Penobscot Nation of Maine. On behalf of the Tribal Council and our members, I would like to thank you for the opportunity to testify today.

As You know, Penobscot was a party in the Maine Indian Claims Settlement Act, and we are also somewhat unique in that we were accorded Federal recognition fairly recently. We are currently in the process of developing our infrastructure and tribal services delivery mechanisms. As a result, the monies we receive (or fail to receive) from the Indian Health Service, the Office of Indian Education, and the Bureau of Indian Affairs has a major impact on our ability to accomplish these goals.

I would like to briefly address each of these budget areas in terms of their direct effects upon the Penobscot people.

Indian Health Service - The Penobscot Nation presently has a 638 contract with the Indian Health Service. Under the terms of this contract the Tribe receives funds to operate the IHS owned health clinic, the dental clinic, and all contract health care services. IHS budget cuts during the past two years have caused a drastic reduction in essential services. This is to a large extent the result of inadequate funding in the contract health care segment of our agreement. The Penobscot Nation has been informed by the Indian Health Service that we are only allowed to provide contract health care services to patients who require Priority One and Two Levels of services. In lay terms, this means that a person who requires elective surgery which is not necessary to preserve life or limb cannot receive contract health care dollars at this time. This provision has been in effect since April of 1982. Mr. Chairman, many of our people suffer from painful and debilitating problems such as cataracts, gall stones and kidney disorders. Many of these problems, if left unattended, result in far more serious health problems. Because the overwhelming majority of our tribal members do not have private health insurance or adequate personal finances to cover the costs of such surgery, they turn to the Tribe - the IHS contractor - for assistance. It is medically incorrect as well as extremely difficult for us to be placed in the position of saying no.

"Elective" surgery is not the only area of contract health services which suffers from a lack of adequate funding. We are also running very short on funds in the dental and optometry areas. Our dental clinic is staffed and equipped to handle dental surgery, periodontal or orthodontal procedures. Because the dental health segment of our contract health care budget is limited we have had to curtail virtually all such services in non-emergency situations.

In the optometry area, we are having problems finding funds for regular services such as eye exams for our school age children and glasses for our elderly and adult members. These budget cuts put the Tribe in the untenable position of having contracted to deliver these essential services and then running short of the funds which allow us to provide these services to tribal members. Mr. Chairman, we have tried to support programs of this type from tribal funds but our revenues are limited and our problems are compounded by such things as unreimbursed indirect costs, a problem which we will address a bit later.

This budgetary shortfall has the potential of becoming even worse if the Community Health Representatives program is shut down. Today the Penobscot Nation is down to two CHR's. Last year, we lost one as a result of budget cuts. These workers not only provide the best possible form of outreach services to our people, especially the elderly, but they have also been very effective in reducing the number of in-hospital stays. Our CHR's are well trained and highly respected by the medical community. Because of this, doctors are often willing to release a patient a few days earlier than usual if a CHR will be visiting and overseeing that patient's recovery. Thus, in-hospital days are reduced and money is saved. Under our present contract health care arrangements with the local hospital costs for an inpatient day are at minimum $250. Safe, early release of a patient with CHR oversight can save us as much as $750 per patient in-hospital stay. If this program is discontinued we have no doubt that our contract health care costs will not only rise significantly, but our members will not have the emotional comfort of recovering in their own homes. We therefore again ask that you review the track record of this program and its cost effectiveness.

Mr. Chairman, we are asking the Committee to review the impact that inadequate contract health care monies is having on all Indian tribes. Although the dollar amounts are going up with each appropriation, the truth is that such increases are not keeping pace with inflation and the delivery of services is being reduced each budget year.

There is one more area of the Indian Health Service budget which concerns us greatly. That is the zeroing out of all dollars for IHS water and sewer hookups to Indian housing units. The Penobscot Nation presently receives all of its new housing units under a grant from HUD. Because our program is relatively new, we are building homes in a number of areas on the reservation which are located at significant distances from present water and sewer systems. In the past, IHS had agreed to pay not only for the on-site hookup of systems but also for the cost of access lines. This is no longer the case. We have already had discussions with HUD officials and they indicate that they will pay for on-site systems but have no dollars available for the access lines. We are extremely concerned with the potentially devastating effects of this position on our housing program. There is simply no tribal money available to cover these costs.

The Tribe also feels that it is inappropriate for HUD to be requesting dollars from us to cover the costs of water and sewer hookups for housing units when at the same time we are informed by HUD that it plans to contract with the IHS to perform the actual work. Such a set of circumstances will only serve to increase costs and delay completion of the projects. In short, we ask that the Committee review the situation and again appropriate adequate funds to IHS to handle all of the water and sewer hookups and maintenance for HUD, BIA, and Tribally constructed units, including the access lines to these units.

TITLE IV INDIAN EDUCATION - The Tribe is also seriously concerned about the Administration's proposal to zero out the funding for the Title IV Indian Education Program. The Penobscot Nation runs three basic educational programs on the reservation: early childhood and pre-kindergarten; kindergarten and elementary school grades 1-6. The first program (early childhood and pre-kindergarten) receives its funding from JOM dollars and 874 funds. It has, in the past, also received a small grant from Title IV Part A to provide culturally relevant programs for these children. The same has been true for our kindergarten and elementary school programs, both of which receive the bulk of their financial support from the BIA. Due to recent budget cuts in Title IV we have lost this Part A funding and as a result we have been forced to eliminate almost all of our culturally oriented programs. For a tribe such Penobscot this is very difficult. Our tribal members are more concerned than ever that their children understand and take pride in their Indian heritage. Studies done by the BIA and various educational groups across the country point out that providing a culturally oriented education has proven effective in enhancing an Indian child's attitude toward education in general. With dollars being as tight as they are, the Tribe is simply not in the position to pick up the costs of such programs and we are fearful that the result will be just one more lost service.

In addition, while the Penobscot Nation has not yet reached the stage in our development where we are participating in all parts of Title IV, we do support the concept and the need for each of these programs.

BUREAU OF INDIAN AFFAIRS BUDGET - Although our own land claim has been successfully resolved to the benefit of all concerned, the Penobscot Nation joins with other tribes in opposing the cuts in the Trust Responsibilities budget, especially as it relates to the Statute of Limitations and other claims projects. Our past and present experience has shown us how difficult it is for a tribe to resolve a claim with the federal government and negotiate land and resource issues. Many Indian tribes are just beginning to realize their full potential as units of local government and land owners and we strongly feel that tribal goals can only be properly developed and reached when adequate legal assistance is available to them.

The Penobscot Nation is still very concerned about the inadequate levels of funding we are receiving for land management. Pursuant to the Maine Indian Claims Settlement Act, the amount of land we are responsible for has increased by thirty-fold. There is no BIA agency office in our area and we contract for all BIA services. Despite this increase we have seen no increase in our land management funds. We have testified on this issue before you for three years in a row. Last year the Senate Appropriations Committee placed language in the report accompanying the FY 1983 Interior Appropriations bill which acknowledged the situation we are in and directed the BIA to take action to help us with this trust responsibility. That language stated:

"The Committee directs that resources available to the Maine tribes be continued at a minimum of the fiscal year 1982 levels. If additional acreage is added to the Maine Reservations during fiscal year 1983, the Bureau is directed to make a proportionate increase of funds available to the tribes."

In spite of such defined Congressional intent we have not received any increase and have had $7,448.00 cut from our Real Estate Services budget and $56,300 cut from our Forestry budget. We have corresponded with the Bureau on this issue and we are awaiting a response.

We want to be responsible landholders and therefore urge this Committee to help us convince the BIA to provide adequate levels of support by ensuring sufficient Congressional funding to the BIA and again including report language directing the Bureau to make proportionate increases in our land management budget.

We also suggest the inclusion of report language directing the BIA to contract with the Penobscot Indian Nation in the other Natural Resource and Trust Responsibility areas where the BIA has heretofore refused to execute contracts with us.

We have had similar problems with the Bureau in the area of Economic Development. We were told by Richard Nephew of the Financial Affairs Division of the BIA Central Office that there are millions of dollars available to tribes for economic development in the areas of Loan Guarantees, Direct Loans, and Revolving Loans. Yet, everytime we have approached the Eastern Area Office about taking advantage of these programs we are told there is no money available.

A major concern of the Penobscot Indian Nation which we ask this Committee to look into and take action on is the problem all tribes are having in not being able to recover from the BIA negotiated indirect costs on contracts.

We have an indirect cost rate of 24% which has been approved by the Comptroller General. We negotiate contracts in good faith with the BIA which include indirects costs. Every year we are told that the Bureau ran out of money and will not be able to give us our previously negotiated indirect cost.

Mr. Chairman, we are going broke because the federal agencies are basically reneging on contracts we have negotiated with them. Can you imagine the outcry if the Defense Department refused to honor previously negotiated indirect cost rates in contracts with military contractors?

We are losing $130,000 a year and our deficit is rising year after year because we are not able to catch up. We are experiencing terrible deficits because we must pay off last year's debt as well as pick up the shortfall from the present contract year. We are looking at an accumulated deficit of $347,000. Because of this, we have had to place our administrative staff on a four day work week. This has led to various other problems, such as delays in processing. Although these problems are occurring because of the BIA, they are doing nothing to help us recover these monies which we are clearly owed. While the Bureau says it cannot pay us the funds it has previously agreed to pay us, we find it curious that the Eastern Area Office has somehow found the funds to increase its staffing levels.

Finally, Mr. Chairman, let me state in no uncertain terms that the Congress is making a mistake if it allows the Administration to go forward with its announced plan to transfer programs presently administered by the Administration for Native Americans (ANA in the Dept. of HHS) to the Bureau of Indian Affairs.

The efficient and successful manner in which ANA programs and funds are currently administered would be, if transferred to the BIA, subject to political pressures, top heavy administrative costs, and ultimately implemented in a manner at odds with the interest of the authorizing legislation.

ANA funds are vital to many tribes who use those monies as core funding for tribal governments. The combined loss of ANA programs and BIA indirect costs will inevitably lead to severe problems on many reservations.

The philosophy at ANA of Social and Economic Development Strategies (SEDS) simply will not survive at the BIA.

We urge you to oppose this transfer.

STATEMENT OF GOVERNOR EDWIN M. MARTINEZ
BEFORE THE UNITED STATES CONGRESS
REGARDING BUREAU OF INDIAN AFFAIRS F.Y. '84 BUDGET

INTRODUCTION

Mr. Chairman and members of the Committee, I am most appreciative of the opportunity to personally make a presentation to you regarding the concerns and the funding needs of the Pueblo of Laguna. Before I proceed with my statement, I wish to introduce the other members of the Pueblo delegation.

PROFILE OF LAGUNA

The Pueblo of Laguna is an Indian tribe situated in the western part of the State of New Mexico. It has a membership of approximately 6,000 people of which 4,000 reside upon the lands of the Pueblo and the remainder reside in various parts of the country. The Pueblo's land base consists of almost ½ million acres of trust land. Prior to 1950 the residents of the Pueblo were dependent primarily upon an agricultural economy for their livelihood. In early 1950, uranium ore was discovered on the lands of the Pueblo. The Pueblo eventually entered into a mining lease with the Anaconda Minerals Company which company operated uranium mining activities on the lands of the Pueblo for 30 years. On March 31, 1982, the Anaconda Mining Company ceased its operations and gave notice to the Pueblo of its intent to relinquish its leased lands back to the Pueblo. The enclosure of the mine has had a tremendous effect upon the economy of the Pueblo and the social conditions of the Pueblo.

For many years, the Pueblo has contributed to both the national and state economies and used its own resources to offset the expenses related to the operations of the tribal government and to providing of services for the benefit of the residents of the Pueblo. In the early 1950's, the Pueblo Council initiated the practice of, to the extent possible, limiting expenditure of tribal funds to that which has been generated as income from the principal of funds invested by the Pueblo. The principal consists of all monies which the Pueblo has realized as income over the years. It has not always been possible to adhere strictly to the use of interest income. As an example, there have been instances within recent years when the Pueblo has had to utilize some of the principal in order to take advantage of sale of lands adjacent to the reservation. The lands purchased have in turn been used for tribally-operated livestock enterprises. Through the use of its own resources, the Pueblo has made significant strides in upgrading the living standards and conditions at the Pueblo. I am pleased to report that within each of the six major communities on the Pueblo, almost 100% of the households are provided modern domestic water services as well as sewage disposal services. Community services such as Law Enforcement, Social Services, Fire Protection, Emergency Medical Services, Refuse Disposal Services and Utility Maintenance Services are provided on an on-going basis to the residents of the Pueblo.

BIA/LAGUNA AGENCY

The termination of mining activities upon the lands of the Pueblo has resulted in a drastic reduction of annual income to the Pueblo. The Pueblo is now faced with the lack of determining ways and means of continuing to provide all of the aforementioned services to Pueblo residents within the limits of its reduced income. It is the intent of the Pueblo to utilize whatever resources may be available but particularly, the resources available through the Bureau of Indian Affairs and the Indian Health Service. The Pueblo of Laguna has never been overly dependent upon either of these federal agencies for assistance in the operations of Pueblo programs, not by choice, but simply because the Pueblo of Laguna was but one of ten (10) Pueblos served by one Bureau of Indian Affairs agency. Obviously, funds allocated to the agency were never adequate to properly allow the Agency to provide extensive services to its client tribes. In 1980, the Pueblo was successful in its efforts to obtain authorization for the establishment of a separate Bureau of Indian Affairs agency at Laguna. The Pueblo of Laguna Council visualizes its relationship with, and the role of the Laguna Agency, to include rendering financial assistance in funding the cost of on-going Pueblo programs and activities. The Pueblo presently operates several Bureau programs under the auspices of P.L. 93-638. It is highly unlikely that the Pueblo would contract to operate additional programs because of the uncertainties of funding these programs from year to year and the sometimes overwhelming requirements imposed upon the Tribe by regulations governing the operations of Bureau of Indian Affairs programs. It is, however, the position of the Pueblo that they wish to take full advantage of all possible Bureau services. It is with this in mind that a portion of our request to you includes a request for a special appropriation of funds for Bureau programs operated for the benefit of the Pueblo of Laguna. Attached are documents which set forth the additional funding needs of the Pueblo by Bureau of Indian Affairs program areas (See Attachments "A", "B", "C", and Exhibit "A"). In addition, we have indicated our needs for irrigation construction funds as well as road construction funds. Due to the closure of the uranium mine and the general lack of employment at the Pueblo and in the surrounding area, we are finding that many Pueblo residents have returned to farming in order to supplement the family food needs. It is, therefore, imperative that we undertake substantial measure to improve the quality of our irrigation system and to rehabilitate lands which have not been used for farming for many years. Road construction funds are urgently needed for improvement of road systems within the confines of the six major communities as well as to provide better access to more remote areas of the reservation and to those properties situated away from the main reservation.

Laguna's rate of unemployment is alarming. It is estimated that approximately 80% of the work force is currently unemployed. The unemployment crises has created some alarming social conditions. Crime is on the increase. Alcoholism is on the rise. Family and domestic problems are an all too frequent occurrence. Suicide and suicide attempts continue to occur at an ever alarming rate. Obviously, employment will not be the total answer to these problems and concerns but it will significantly reduce the number of such occurrences. The Pueblo Council requests your timely assistance by making funds available for pursuit and implementation of industrial ventures at the Pueblo. The Pueblo is actively negotiating with at least six companies which have expressed an interest in relocating their operations or a portion thereof onto Pueblo lands and thereby creating some 50 to 200 jobs. The Pueblo has immediately available a modern 42,000 sq. ft. industrial building and a new commecial center of 16,000 sq. ft. which has never been occupied. Many Pueblo members have expressed a desire to establish small business enterprises, however, they lack the necessary capital with which they can go into business. I am sure that you are well aware that commercial financial institutions will not provide funding for projects located on Indian lands due to the restrictions on encumbrance of trust as collateral for private loans. The assistance which the Pueblo desires from the federal government is in the form of funds for training for participation in industrial ventures, maintenance of an on-going tribal industrial development office and the establishment of a BIA Credit Program.

I mentioned earlier in this statement that for 30 years, the Anaconda Company operated a uranium mine on the lands of the Pueblo. If any members of this Committee have hand any experience with openpit mining operations, you can imagine in what state of condition the lands which were mined over the past 30 years have been left. The Anaconda Company has submitted to the Pueblo a proposed reclamation plan which is under active consideration by the Pueblo and appropriate federal agencies. The development of an Environmental Impact Statement is in progress. Until November of last year, the Pueblo worked very closely with the Minerals Management Service in the review of the plan and development of the Environmental Impact Statement. However, as you are aware, the Minerals Management Service has undergone a major reorganization which has left the Pueblo basically without the confidence of federal concern and expertise in the final consideration and development of the reclamation plan. The Pueblo does not have within its internal organization, the expertise to provide technical review of the total reclamation plan. It is the request of the Pueblo to this Committee that sufficient funds be allocated to our trustee, through the Laguna Agency, for the acquisition of expertise needed to carry out the review and development of the final reclamation plan. The reclamation effort, which will take place at Laguna will, as I understand it, be the first major effort at reclaiming an open-pit uranium mine within the United States. We, therefore, do not have the benefit of experience which we can rely upon in the consideration and development of the final reclamation plan. The future health and welfare of our people is at stake. It is, therefore, imperative that the best available expertise be acquired for advice and guidance in the development of the plan. The contents of which will undoubtedly establish precedence in the reclamation of open-pit uranium mines.

When the BIA Laguna Agency was created in 1980, it was done so with the understanding that whatever portion of the of the funds and positions allocated to the Southern Pueblos Agency for providing services to the Pueblo of Laguna would be allocated to the Laguna Agency. The Pueblo of Laguna has been in constant compliance with this understanding and has not undertaken any effort to seek the reallocation of funds or positions allocated to the Southern Pueblos Agency which in turn might jeopardize services provided by the Southern Pueblos Agency to the remaining nine Pueblos. This is the reason that the Pueblo of Laguna has approached this Committee on an individual basis in the hopes that the Committee will identify and earmark funds specifically for programs to be operated by or handled through the Laguna Agency. Currently, the funding level of the Laguna Agency is in disproportion to other BIA agencies when one takes into consideration the number of people to be served, the size of the reservation, the number of programs and services to be maintained, and the complexity of problems and needs facing the Pueblo. I am submitting as a part of this statement a complete breakdown of the Agency's, and subsequently the Pueblo's funding needs as has been determined by the Pueblo (See Attachments "A", "B", "C", and Exhibit "A"). In addition to funding needs for maintenance of on-going programs and services, we have also identified our irrigation and road construction needs. It is our intent to accomplish at least a portion of all construction work on a force account basis which we believe to be entirely possible considering the large well-trained and qualified labor pool which exists at Laguna. There are over 800 people actively seeking employment and skilled in 255 jobs classification skills, many of which are related to road and irrigation construction activities. As you can see, our efforts and plans are not only to further develop our reservation but to provide urgently needed employment opportunities as well. When developing job opportunities, we view every job developed as assisting in the support of at least five (5) persons as the average family size at Laguna is five.

INDIAN CHILDREN'S PROGRAM

Gentlemen, during your consideration of the Fiscal Year 1983 appropriations for the Bureau of Indian Affairs and the Indian Health Service, you referred specifically to and recognized the success of the Indian Children's Program, a program operated by the Indian Health Service but funded jointly by the Bureau of Indian Affairs and Indian Health Service. The Indian Children's Program has the support of the Pueblo of Laguna. Some of you are aware of the leadership role played by the Pueblo in attempting to generate funding for the construction of a handicapped children's diagnostic and treatment facility. As further evidence of the support of the Program and the planned facility, the Pueblo in 1977 set aside a parcel of Pueblo land upon which the facility could be built. Despite the continued efforts of the Pueblo in pursuing the development of the facility through the involvement of the BIA and IHS, very little progress has been made. The Pueblo has been advised by the Indian Health Service that a further study will have to be made of the prevalance of psychological, emotional and behavioral disorders among

Native American children and the unmet need of care and treatment which exists. We support the Committees' directive to the IHS and the BIA that they continue to give high priority to this program and request that the Committee also mandate the IHS to include in its budget request an appropriation of funds sufficient to develop information and data to plan and design a residential diagnostic and treatment facility.

LAGUNA MIDDLE SCHOOL

Finally, I wish to make the Committee aware of the extreme displeasure of the people of the Pueblo of Laguna with the decision of the Assistant Secretary for Indian Affairs in the matter of the need for a Middle School at Laguna. We believe that his decision was arbitrary and will cause irreparable harm to the children of the Pueblo because they have now been denied adequate educational facilities. You have, upon the recommendation of the BIA, authorized the reprogramming of the amount of $5,430,000 which was appropriated in FY '82 for construction of the school. An appropriation which was obtained through the sole efforts and expense of the Pueblo of Laguna. We ask that this Committee take a close look at the actions of the BIA and we believe you will find that the Assistant Secretary's determination was incorrect and was made in violation of the Department's formal procedures. We respectfully request the help of the Committee in causing the Laguna Middle School to be returned to its rightful place on the BIA school construction priority list on the basis that 100% of the children that would be enrolled in it are at present unhoused.

EDUCATION NEEDS

As with any other Bureau of Indian Affairs Education entity, the Laguna Elementary School experienced reduction in funding level for its project under ESEA Title IV, Part B. This program, being supplemental to the Basic Program, was specifically designed to provide the needed instructional materials and equipment so cirtically necessary to effectively remediate student deficiencies in reading, math, and language arts. This program represents a resource which permits a wider avenue of instructional processes. For example our program has been designed to provide special instructional materials to increase to 80% accuracy the work accomplished by students on class assignments in order to prevent future remediation. Another emphasis has been to provide supplemental instructional materials that are designed to involve parents in helping motivate their children to decrease absences.

As can be seen from the two examples sited above, the program is one that does not give additional work or now practices in the deficient areas but rather attempts to address those very obvious problem areas that promote academic deficiencies, e.g. lack of motivation, truancy, etc. Our annual performance evaluation and financial status reports show that full utility of the allocated funds have resulted in positive gains by our students as measured by end-of-the year examinations.

In addition to FY-82 cuts, some recissions of FY-83 funds have been proposed. The impact that his would have at our school is that the recission would severly hamper sequential planning and implementation of remedial programs designed for student motivation and parental involvement in the instructional processes. As one project is completed, succeeding projects must reinforce and substantiate previous efforts. While several projects may be simultaneously planned in sequential order, it is often necessary to hold back funding for future projects in order to fully utilize and gain the benefits of current projects (which may require additional expenditures or current projects prior to obligations on future projects).

The termination of Title IV funding at the Laguna Elementary School in FY-84 would result in:

1. Successful projects being half finished resulting in a loss rather than a gain in both effort and student benefits.
2. Termination of supplemental resource program designed for remediation by providing supplemental instructional materials with special content to address important peripheral factors which promote academic deficiencies.

The loss of this program in affect would destroy many months, years of slow and painful progress in improving the motivational factors of our students. There is nothing proposed to take the place of any of the funds being lost. The regular program funds are limited to basic instructional. The loss of funding therefore represents a regression within the educational program itself.

We also solicit your help in restoring to an adequate level of funding to the Laguna Agency Office of Indian Education Programs in the amount of $100,000. Without going into extensive detail, I submit to you that the reduction in the funding level for the Laguna Agency OIEP to $50,000 for the FY'83, is merely an underhanded means of accomplishing a previously implied decision of the Washington BIA Education Office to abolish the Laguna Agency OIEP despite a determination by that Office a year earlier that the OIEP at Laguna was justified. The FY-82 Budget was $71,336.00 as compared to the FY-83 allocation of $50,000.00 which represents a 30% cut.

The Government to Government relationships established under the authority of P.L. 95-561 in all matters relating to the facilitation of Indian control of Indian affairs in all matters pertaining to Indian education has also recently become a matter of grave concern to the Pueblo of Laguna. On December 1, 1980, approval was granted to establish the Office of Indian Education Programs at the Laguna Agency with implementation to begin March 1, 1981. The education office was established effective September 8, 1981. Five positions were authorized at the Agency level:

- Superintendent of Education;
- Business Manager (Agency & School)
- Secretary
- Special Education Coordinator/Speech Pathological; and
- Clerk-Typist (Special Education).

To date, the position of Agency Superintendent for Education has not been filled on a permanent basis, although a tentative selection has been made. Now a decision is pending with the Bureau of Indian Affairs as to whether the education office will be continued at the Laguna Agency. The Pueblo of Laguna and the Laguna Agency (both BOB and Education) have established and maintain excellent working relationships working together providing services to the people of Laguna. Educational goals of the Tribe and the Agency to provide quality educational opportunities from early childhood through life in accordance with the Tribe's needs are being formulated and developed. Discontinuation of the local education office will in effect minimize our local participation in policy and decision making activities of our educational programs. This is not consistent with the policy of Indian Self-Determination as enunciated in 25 CFR 271.4. The Pueblo of Laguna takes great pride in its progress in Indian Education and strongly urges the Bureau of Indian Affairs to not only render a decision to continue the education office at the Laguna Agency, but to provide for expansion of service by authorizing filling of all approved positions.

ATTACHMENT "A"

FISCAL YEAR 1984 FUNDING NEEDS - PUEBLO OF LAGUNA

I.	Community Services General	$150.0

These funds will be used for operation and maintenance of a staff which will be concentrating on employment and economic development projects.

II.	Adult Vocational Training	150.0

Services will be accomplished in application-taking and processing, applicant interviews and counseling, institutional training, training monitoring and evaluations, vocational guidance counseling, job placements, assessments of training institutions and courses, on-the-job training opportunities and developments to a client population of 6,200 Lagunas. $90.0 will be used towards retraining of individuals terminated from the mine as well as for new clients. $60.0 will be used towards the development of OJT projects.

III.	Employment Assistance	75.0

This will enable job placement assistance to seventy-five (75) unemployed Lagunas.

IV.	Social Services	100.0

This will further enable accomplishment of 600 units of services consisting of family counseling, home visits, general assistance, child welfare, homemaker services, T.W.E.P., adult institutional care, and miscellaneous assistance to a service population of 6,200. Due to social and economic pressures caused by unemployment, the need for these services are going to increase significantly.

V.	Tribal Courts	90.0

These funds will be used to employ staff to handle and process a yearly average of 1,400 cases. An increase in case load has resulted due to economic and social stresses caused by mass unemployment.

VI. Credit and Finance $340.0

This amount will permit the assumption by the BIA Laguna Agency of the existing caseload services of the Laguna clients now provided by the Southern Pueblos Agency. This will include new loans and/or new client services. $90.0 will be used towards program services to handle present loan cases of the Laguna clients. $250.0 will be used for economic development projects that would be employment generating as well as income generating. Currently, the Pueblo of Laguna is actively pursuing industrial prospects whose names appear on the attached list. (Attachment 1)

VII. Self-Determination Grants $161.0

This amount will enable completion of the following objectives partially under contractual services and partially by various tribal employees:

A. Elderly Care Center program expansion.
B. Commercial Center developments.
C. Development of various tribal codes and ordinances.
D. Establishment of Economic Developments office.
E. Development of a consumers advocacy program.

VIII. Home Improvement Program 200.0

This will enable 25 homes to be brought to standard conditions.

IX. Community Fire Protection 35.0

This would enable operation and maintenance of:

A. Five (5) fire pumper units.
B. Trucks used in conjunction with pumper units.
C. Facilities in which to house the vehicles and pumper units.

With these resources, fire protection to all BIA-owned and BIA-occupied facilities on the Laguna reservation would be possible.

ATTACHMENT 1

Name	Business	Estimated Employment		Status
Phase II-Active Discussion				
PELCO INDUSTRIES	Jewelry	30-50	$50,000	Awaiting proposal from them
CORESPAN	Fabrication of Honeycomb Structural Material	20-30 initial 100-20[illegible] long term	$1,200,000	They will submit proposal February 14-17, 1983
FORECAST INDUSTRIES	Manufacture of wind energy machines	60-65	$2,400,00 over 2½ years	They will submit proposal February 14-17, 1983
KEN COSSELETT	Alcohol Production from agricultural products	unknown	unknown	Awaiting tribal action to ask for proposal
DEVELOPMENT MANAGEMENT ASSOCIATION	Frozen food plant & Related agricultural	100-150	unknown	Awaiting proposal from them
SANDIA DETROIT DIESEL	Establish training as overhaul & repair facility	unknown	unknown	Awaiting proposal from them
RAYTHEON	unknown	unknown	unknown	Need further discussion
D.O.D.	Defense Contracts	unknown	unknown	Need further discussion
MODERN INC.	Manufacture of farm Implements	120	$3,750,000	Awaiting proposal from them
U.S. CAP & JACKET	Manufacture of sport caps and Jackets	60	unknown	Awaiting committee action to ask for formal proposal
Phase III - Proposal Submitted				
ENERGY ENGINEERING	Solar Hot Water Heaters	15-30 initial 30-35 1st year	$500,000	They will submit updated proposal in February
RURAL VENTURES	Agricultural Development	unknown	$350,000	Awaiting tribal action
1st AMERICAN CAP CO.	Manufacture of Sport Caps	60	$300,000	Awaiting tribal action
RECLAMATION	Construction	180	unknown	Plan in process
URANIUM	Production	180	$2,000,000+	Studies complete. Initial market inquiries distributed and responses received.

X.	Agricultural Extension	$ 30.0

This amount will provide:

A. Contractual services with the State Agricultural Extension Services

Activities will be concentrated on agricultural and related pursuits designed to achieve some means of sustenance, especially during high unemployment periods.

XI.	Law Enforcement	370.0

This will enable accomplishment of 4,200 units of police services, consisting of enforcement of tribal laws and customs, crime prevention, prisoner detention, investigation of criminal and non-criminal complaints, adult institutional care referrals, local community and highway patrols, and emergency services. Social and economic stresses will create additional need of these services.

XII. Natural Resources

A. Agriculture $678,700

Seama Dam Project is nearing completion to conserve meager water supplies for agricultural purposes. Water conservation measures include reservoir sealing and canal rehabilitation. The canal lining alone has improved irrigation 116% from the previous year. These are primarily small subsistance type family tracts, most of which are less than one acre in size.

The major needs for improvements are from main delivery systems to serve farm laterals, minor land leveling, land clearing. For specific irrigation construction projects see exhibit "A".

B. Range Management 43.2

Range management plans are being reviewed prior to implementation. Adequate range plans for the arid lands require large investment in stockwater tanks and pipelines. Equipment and personnel are available to improve and assist tribal members with technical assistance.

Primary needs include material purchases, i.e., storage tanks, pipelines, prefabricated structures.

6 (six) miles of pipeline	22.2
3 (three) 27,000 gal. tanks	15.0
30 irrigation structures	6.0
TOTAL	43.2

C. Mining and Minerals 200.0

The current reclamation plan for the Anaconda Jackpile Uranium open pit mine is experiencing difficulties in gaining acceptance by both the Pueblo of Laguna and Minerals Management Service. In order to insure compliance with all statutes (Federal, state and local agencies) and to provide for the future health and welfare of Pueblo residents, every effort has to be made for BIA to provide sound technical direction and expertise. The magnitude of the Reclamation Project will not only affect the Pueblo and the BIA but all federal agencies with responsibility in the area of land reclamation and environmental concerns. The state confusion as to the limits of responsibilities of federal agencies caused by the recent reorganization of the Minerals Management Service compel assumption by the Trustee (BIA) of assurance of service and expertise to the Pueblo in this very critical stage of the consideration and development of the reclamation requirements to meet the Pueblo's needs. This can be provided by acquisition of expertise through the federal employment process or by contractural arrangement. Services of the following disciplines will be required:

Soil Scientist
Hydrologist
Inspector
Surveyor
Range Conservationist
Clerical
Soils Engineer

D. Water Resources 75.0

The Rio San Jose Valley water resource presently serves 4 of 6 major communities at Laguna. The quantity and quality of water is rapidly decreasing. New sources of water must be located and existing supplies must be maintained. The eradication of salt cedar along the river system must be implemented to reduce consumption of meager supplies for irrigation and livestock.

Better quality water must be developed for community supplies away from the polluted valley sources. Quality of water along valley sources is far below public drinking water standards.

XIII. Roads Maintenance 210.6

Severe winter storms resulted in numerous people and livestock becoming stranded for days. One major factor is lack of all weather roads to remote areas. Arroyos are impassable as well as areas of depressions holding water during heavy rain and snowstorms. To minimize this problem improvement to roads and providing adequate drainage structures to these isolated and remote areas will began a process or providing adequate construction of improved roads and related structures.

Technical supervision will be made available to insure safe and adequate construction of improved roads and related structures. Materials, i.e., gravel and pipe, will be required. Adequate staff to operate and maintain an ongoing program will be employed.

ATTACHMENT "B"

LAGUNA AGENCY - PERSONNEL & ADMINISTRATIVE NEEDS

Element 71 - Executive Direction

Identified Need, Minimum	122.5
FY 83 Tentative	83.4
Difference	39.1

This increase will enable this office to add to staff, will ensure adequate travel funds, and essential office equipment.

A. Secretary (Typing) GS-6

Essential clerical support needs in this office have heretofore been met minimally by temporary appointment(s) of a Clerk-Typist.

The very nature and scope of the Superintendent's responsibility dictates that a fully qualified secretary be employed commensurate with grade-level to enable the Superintendent to utilize subject position with broad latitude, an element necessary for a bonifide supervisory/secretary relationship to function.

B. Tribal Governmental Relations Specialist, GS-9 (proposed)

Subject position would enhance the capability to review in a timely manner; all attorney vouchers, all P.L. 93-638 contracts and inherent investigative work and attendant technical assistance to tribal staff, keeping the Superintendent apprised of pending legislation directly affecting the Pueblo of Laguna and other entities as regards to minerals/mining development, special projects such as water rights litigation and coordination of all mining reclamation activities.

C. Travel - GSA Motor Vehicle

Heretofore, this expense has been absorbed by other activities. Adding and ensuring an adequate level of funding would enhance planning ability in covering other essential services rather than reactionary.

D. Office Equipment

This funding has been totally inadequate thus far in the history of the Agency. Essential office equipment such as a typewriter, a calculator are those which have been pulled in or charged to other offices, are maintained at the cost of other program funds.

An increase here would enable this office to establish as a separate line item for office equipment purchase and maintenance.

Element 72 - Administrative Services

Identified Need, minimum	150.0
FY 83 Tentative	87.6
Difference	62.4

This increase would enable the Division of Administrative Services to add to staff, purchase adequate office equipment; would ensure funding to pay for Agency lease rather than requiring program managers to identify funds for this purpose; it would ensure quality copying service for build-up or reconstruction of realty records, adequate office supplies and enhance the total Agency communication (telephone) needs.

A. Statistical Clerk (Census) GS-5

Very recently the Agency has assumed additional responsibility of verifying eligibility of Indian blood quantum for the purposes of obtaining certain services from the IHS and the BIA. This position would also be responsible for day-to-day administration and maintenance of census records, marriage, divorce, birth and death certificates; dependents certifications and Identification Card issuance. With a minimal staff of the Administrative Officer, a Secretary, and a Supply Technician, this office is already strained in providing such a service.

B. Office Equipment

Much of the equipment presently in use is antiquated and/or excess from other agencies. The very nature of records maintained by this office must be treated as confidential, such as Personnel Records. There also is the need to have adequate safe-guards of statistical records (blood-quantum), adoptions, etc.) and the Imprest Cash Fund which this office administers.

The typewriter and one calculator in use are on loan from other offices at the next higher level in the organization. These are essential for minimum operations and an increase here would enable this office to purchase and maintain its own equipment.

C. Total Lease (Agency)

Program managers have had to plan expenditure for square footage their programs occupy, usually adjusting program plans in varying degrees. A substantial increase for this item would enable the Administrative Office to plan for expenditure in the total amount thereby freeing program dollars for delivery of services in the respective programs.

D. Xerox (or other copying costs)

A high quality copy is necessary for work the Agency is responsible for. An example of this is the need for high quality realty records such as plats, maps of vintage age, many times one-of-a-kind documents such as legal descriptions, quadrangles and quad-sheets. Other routine copy or reproduction needs are no less important and certainly a good maintenance arrangement can be enhanced by an increase in this area.

E. Office Supplies

Some supplies may be unique to this office in that total agency administration creates a need to render technical assistance in many areas and to various program. However, funds have been very limited here that this office has had to depend on other office for general supplies.

F. Communications

As this Agency grows in staff in respective program responsibility such as Forestry, Ranage Management, etc., and much like the lease requirements above this item should be centralized and coordinated through the Administration Office. This is the office that has authority for placement of all official requests and has knowledge of all inherent costs. By so doing it also frees up program money and certainly enhances planning and expected results without the hinderance of fluctuating money availability.

Attachment "C"

LAGUNA AGENCY - OFFICE OF INDIAN EDUCATION PROGRAMS
FUNCTIONAL STATEMENTS & PERSONNEL COSTS

-Agency Superintendent for Education
GS-12/03 $31,332/annum

Administratively and technically responsible for planning, directing evaluating and coordinating Bureau and special funded education programs. Bureau programs include: Elementary Education, Early Childhood Education, Public and Community School Relations, Pupil Personnel Services, Off-Reservation Boarding School Enrollments, Tribal government and School Relations and School Administration and Supervision. Federal programs include: ESEA Chapter I and Title IV - B and Education for the Handicapped.

-Business Manager
CE-05/02 $24,877/annum

Under the general administrative supervision of the Agency Superintendent for Education is administratively and technically responsible for carrying out the following administration functions for the Agency and Laguna Elementary School: Plans, organizes, and coordinates student counts and certification, census and enrollment, budget formulation financial management and analysis, personnel management, property management, and procurement.

-Secretary GS-5/02 $13, 815/annum

Under the general supervision of the Agency Superintendent for Education and Business Manager provides general clerical and secretarial services in support of the specific areas of responsibility enumerated above in addition to informing and instructing employees regaring procedures and regulations governing personnel actions, leave and travel.

-Special Education Coordinator/Speech Pathologist P.L. 94-142 FUNDS
CE-05/08 28,645/annum [Special Education Funded]

Responsible for coordinating, supervising and directing the Special Education program at the Agency and School which encompasses all areas from in-service training to budget and proposal writing, monitoring, and technical assistance and curriculum development, speech pathologist services, (including diagnosis and remediation of communicative disorders) parental counseling and in-service training in various aspects of Speech and Language pathology.

P.L. 94-142 FUNDS

-Education Aide (clerk-typist) [Special Education Funded]
CY 01/10 $12,639/annum

Provides general non-professional clerical services in support of the above listed areas of responsibility within the Special Education Program.

*Total Personnel Costs/Year $111,308.00

FORM 5-4181
Dec. 1969

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Indian Affairs

ADVICE OF ALLOTMENT

No. 307
Date January 24, 1983
Revision Initial

Copies:
Division of Budget
C. O. Controls
503 - Education
Albuquerque A.O.
Attn: Budget

To Agency Superintendent for Education

Unit No. 14-20-M21-01

Unit Name Laguna Agency

Appropriation Symbol and Title 1432100 Operation of Indian Programs, Bureau of Indian Affairs, FY 1983

ACCOUNT NO.	DESCRIPTION AND TITLE	AMOUNT ALLOTTED	
		Increase	Decrease
3100	Education Program Management Element 10	$50,000	
	Total....	$50,000	

Remarks:

Allotment of funds for the operation of the Agency Education Office. Apportionments to be provided later.

RECEIVED
FEB 07 [illegible]
B.I. [illegible] ncy
O.I.E.P.

Apportionment by quarters (Fiscal Year 19___):	Previous	Present
	$	$
1st quarter		
2nd quarter		
3rd quarter		
4th quarter		
Total availability including $______ reimbursements	$ -0-	$ 50,000

Approved: (Date) 1/25/83

Approved by:
Deputy Assistant Secretary - Indian Affairs (Operations)

EXHIBIT "A"

Laguna Agency

Laguna Unit

The Laguna unit consists of approximately nine (9) miles of main canal. This canal services approximately 3,000 acres of land. 4.1 miles of canal have been rehabilitated in 1981 and 1982. The remaining canal are in need or rebhailitating. The canal is needed to conserve a scarce supply of irrigation water in addition to control of overhead waters which is a constant problem during summer storms.

By providing adequate structures, an improved canal lining project will alleviate this problem and will minimize interruption of water deliveries.

Construction of 4.5 miles @ $67,000	$301,500
Engineering Surveys and Designs	25,000
	$326.700

Paguate Unit

The Paguate Unit has the only perenial water supply to cover approximately 500 acres of irrigable land. This project diverts flow from the Rio Paguate Annual flow from this watershed is approximately 7,000 acre feet. Storage is available for 50 to 70 acre feet of water and the remaining is lost.

Canal lining - 3 miles @ $67,000/mile	$201,000
Storage (Enlargement) 500 acre feet	60,000
Engineering Services	30,000
	$291,000

Encinal Unit

A pumping plant is required as present irrigation water is served from springs. This system will be converted to supplement a marginal domestic supply.

An underground system is requested to replace the surface flow for irrigation. Test data is available to show that underground water is available to supply the 20 to 30 acres of land presently serviced under this system.

Pumping plant	$40,000
Service pipeline, 2.0 miles @ $5,000/mile	10,000
Electric service line	6,000
Engineering and Design	5,000
	$61,000

JAMES ABDNOR
SOUTH DAKOTA

SH-308 HART SENATE OFFICE BUILDING
(202) 224-2321

VERNON C. LOEN
ADMINISTRATIVE ASSISTANT

United States Senate
WASHINGTON, D.C. 20510

COMMITTEES:
APPROPRIATIONS
ENVIRONMENT AND PUBLIC WORKS
JOINT ECONOMIC

1983 MAR 23 AM 9 15

March 21, 1983

RECEIVED MAR 24 1983

Honorable Mark Andrews
Chairman
Select Committee on Indian Affairs
SD-640
Washington, D.C. 20510

Dear Mark:

Please find enclosed a comprehensive and thoughtful letter from Mr. Carl Waln, Chairman of the Rosebud Sioux Tribe in Rosebud, South Dakota.

In this letter, Chairman Waln outlines the continuing difficulties that the Tribe has incurred in their efforts to obtain an Indian Health Service hospital on the Rosebud Reservation.

This situation is a matter of grave concern to me. During the 10 years I have served in both Houses of Congress, I have attempted to obtain the necessary administrative and Congressional decisions to get this facility completed. Each time one roadblock has been removed another is raised. My frustration is small compared to the frustrations that the Rosebud Sioux Tribe has experienced during the past decade in their efforts to obtain an adequate medical facility for their people.

I believe that this situation has gone on too long. I would appreciate your addressing these concerns directly to the IHS during any upcoming hearings that might occur on their FY84 budget. Any continued delay in the completion of this project is unconscionable.

With best wishes,

Sincerely,

JAMES ABDNOR
United States Senator

JA/ddr

Enclosure

Rosebud Sioux Tribe
ROSEBUD INDIAN RESERVATION
ROSEBUD, SOUTH DAKOTA 57570
Incorporated Under Act of June 18, 1934, 48 Stat - 984
PHONE: 605-747-2381

CARL WALN
President

BEN BLACK BEAR, JR.
Vice-President

LLOYD B. ONE STAR, SR.
Secretary

CHARLES WHITE PIPE, JR.
Treasurer

February 4, 1983

Honorable James Abdnor
U. S. Senate
Washington, DC 20515

Dear Sir:

AN UPDATE ON THE ROSEBUD SIOUX TRIBE'S INITIATIVE
FOR A NEW REPLACEMENT IHS HOSPITAL

Of the many severe problems facing the Rosebud Sioux Tribe in South Dakota, none is larger than the health of our people. A health care crisis at Rosebud was already identified ten years ago as needing immediate attention. Until quite recently, little concrete progress has been made in the matter, and in fact, IHS hospital services have dramatically decreased here while the population has grown.

The current IHS Hospital at Rosebud was half condemned in 1978 for safety reasons and code violations, reducing the number of beds from 48 to 29. The condemned portion was built in 1915, and replacement of the hospital has long been high on the IHS priority list. A Master Plan Study for replacing the facility was completed 10 years ago, in 1973.

Finally, but still without a direct request from IHS, Congress responded to the dramatic need by appropriating $1,248,000 in FY 82 funds for the Plan and Design of a new replacement hospital.

One year ago, in February 1982, the Tribe testified on behalf of FY 83 funds for the Construction of the facility, and also requested Congressional support for the release of the already appropriated Plan and Design funds.

Privately, the Tribe was assured by the IHS that the Plan and Design funds were to be released for use at the beginning of the Third Quarter, that is, April 1, 1982.

Accordingly, the Tribe reinitiated inquiries about the funds at the beginning of April, directing our question to the IHS, OMB, HHS and the House and Senate subcommittees. The range of responses varied from none at all, to those who were also being kept in the dark, to purposefully confusing information, such as that from OMB that they definitely were not withholding release of the funds. We could uncover no accurate information as to what the holdup was, who was responsible for it, or where the matter currently stood.

We enlisted the help of the South Dakota Delegation as well as other concerned Members of Congress, but they had no more luck than the Tribe at clarifying the situation.

Finally, on April 22, the IHS confirmed a rumor that the funds were being considered for "reprogramming" for other purposes, and stated that a request to that effect had already been sent to the appropriate Congressional subcommittees. It was stated that the IHS still felt the funds should be used for a Rosebud Hospital Plan and Design as originally intended, but that the request originated from "levels above IHS". They had not even been informed of who was insisting on the reprogramming over their heads, but had the "impression" that it was OMB.

A check with the House and Senate Subcommittees revealed that a formal request had not been sent to them, though they were also aware of the rumored plan. It appeared to some in Congress that OMB was attempting to directly reassign the funds without approval by Congress, and OMB was informed that such action was not legal. The term "reprogramming" gave way to attempts at recission. At any rate, it was clear to the Tribe that we were no longer suffering from delaying tactics, but from the far more serious situation of attempts from outside Congress to undo the appropriation.

Rather than condemning the Administration for this action, the Tribe chose to allow a chance for reconsideration. We felt that they might not be fully aware of the serious consequences for our people, or just how many years the new facility had already been delayed. We did not wish to risk their decisions to be uninformed. Accordingly, we outlined the dire need for the long postponed replacement hospital in letters to Richard Schweiker, Secretary of HHS, to David Stockman, Director of OMB, and to President Reagan. The letters were dated May 11, 1982, and a response was requested from each. The Tribe did not receive the courtesy of even a brief response to any of these letters, and we must assume they were ignored.

The South Dakota Delegation and other Members of Congress continued to be highly supportive; and finally, in the last month of FY 82, additional action by Congress succeeded in salvaging the original Plan and Design appropriation.

While we are exceedingly grateful for that, we regret the loss of another full year before the half condemned hospital can be replaced.

Concurrent with the prolonged struggle outlined above, and still continuing today, have been problems with excessive delays in the normal consideration of the Rosebud Sioux Tribe's PL 93-638 Contract Proposal for the Plan and Design of the facility.

The original proposal was submitted by the Tribe to the IHS on April 8, 1982. In the 10 months snce, it has run the gamut of the IHS from the lowest offices to the highest. We have just been verbally notified by the IHS Headquarters staff that Dr. Rhoades, the Director of the IHS, has been able to sign his final approval of the contract only last week.

The proposal was quite sound on its own merit as originally written. An indication of this fact is that despite its close scrutiny from numerous viewpoints, only a few minor changes have been suggested throughout the whole process.

Unfortunately, final approval by the IHS does not mean that work on the Plan and Design may finally begin. Now, the higher levels of HHS with to begin their own review of the contract proposal. Our experience has been that the proposal never moves from any desk it reaches until sufficient external pressure forces it to.

Much lip service has been given to promoting Tribal Self-Determination, and in particular, to expediting by all means possible Tribal "638" proposals. We have experienced the exact opposite.

In the Tribe's favor is the fact that further places to review the proposal are all but exhausted. We must surely receive an answer soon. When we do, we will finally be able to use the funds set aside by Congress for the Plan and Design which should have been available for use October 1, 1981.

As mentioned, we testified to Congress in February, 1982 on behalf of Construction funds for FY 83, unaware that we would face this multitude of difficulties. We do not wish further intentional or unintentional delays to discourage Congress from appropriating Construction funds for FY 84. Hopefully, this summary will lend to your understanding and prevent that.

Dealings concerning the new hospital have been shrouded in secrecy, deception, and delay. At no time has this been attributable to Members of Congress. Congressional intent has been clear, but thwarted at every turn.

The Rosebud Sioux people are faced with documented, exceptionally poor health, a half-condemned hospital, and very limited access to care anywhere else. The promise of a new IHS hospital has been held out for more than 10 years now with no tangible results.

On behalf of current and future generations of our people, we

SMALL TRIBES ORGANIZATION of WESTERN WASHINGTON

P. O. Box 578/Sumner, Washington 98390/(206) 593-2894

February 23, 1983

Honorable Mark Andrews, Chairman
Select Committee on Indian Affairs
6317 Dirksen Senate Office Building
Washington, D. C. 20510

Dear Senator Andrews:

The Small Tribes Organization of Western Washington (STOWW) is an inter-tribal consortium organized for the purpose of protecting the interests of its member tribes.

We are seventeen (17) tribes bound together, recognizing the right to exist today just as each of us have for thousands of years. Although 9 are presently federally-recognized, there are 8 that are not. Each one of us is small compared to the larger, more affluent tribes. Our average population is 700 persons compared to 5,000 - 6,000 for the larger tribes.

Our membership has fared well, first under OEO, then ONAP, and, up to the present, the Administration for Native Americans (ANA). Five of our member tribes, formerly non-recognized, have received federal recognition, through due process, since they have been members of STOWW.

Mr. Chairman and members of the Committee, until the time that each of these non-federally recognized tribes have their day in court, and each of them has the opportunity to formally address the Federal Acknowledgment Process team, we request of you, with all due respect, not to amend the law by placing ANA under the Bureau of Indian Affairs.

This ANA transfer is proposed without any tribal consultation or any form of public hearings for those Indian communities affected by this move. STOWW has always maintained a strong relationship with ANA. In most cases, the small ANA "mini-grants" received by our 8 unrecognized member tribes constitute the majority of tribal funding. To fund only federally-recognized tribes under BIA/ANA would severely hamper the abilities of our unrecognized tribes to exist as viable entities.

If ANA is placed in the hands of the BIA, it will completely disrupt the entire Indian community and take away the only federal agency that recognizes the rights of the unrecognized tribes to exist.

Other issues Committee members may wish to consider are:

1. There is no FY-83 budget authority that allows ANA funds to effect the transfer into BIA. OMB and the White House should be required to stop allocation of any FY-83 monies to the transfer activity since it is apparently an illegal use of FY-83 ANA monies.
2. OMB must be pressed to release any transfer plans, if such a plan exists.
3. It is illegal to amend federal law through budget appropriations and yet the Administration proposal would do this by restricting ANA eligibility far beyond what was specified in Title VIII of the Economic Opportunity Act of 1964, as amended.

We request your consideration is maintaining the Administration for Native Americans under the Department of Health and Human Services, and for maintaining funding at least at the FY-83 level of $26.3 million dollars.

Respectfully,

Patrick J. Clements

Patrick J. Clements
Executive Director

UNITED SOUTH AND EASTERN TRIBES, INC.
1101 Kermit Drive • Suite 800 • Nashville, TN 37217-2190
(615) 361-8700

Executive Director
Rex J. Evans

Officers
Leonard Garrow, President
St. Regis Mohawk
Jonathan Ed Taylor, Vice President
Cherokee
Joel Frank, Secretary
Seminole
Joseph Francis, Treasurer
Penobscot

Member Tribes
Cherokee
Chitimacha
Choctaw
Coushatta
Maliseet
Miccosukee
Mohawk
Passamaquoddy
Penobscot
Seminole
Seneca

1983 FEB 29 AM 10 53

February 24, 1983

Honorable Mark Andrews
Chairman - Senate Select Committee on Indian Affairs
6317 Dirksen Senate Office Building
Washington, D.C. 20515

Dear Congressman Andrews:

The membership of the United South and Eastern Tribes has a great concern over the proposed fiscal year 1984 appropriations request submitted to Congress by the President. They are most concerned, in particular, regarding the three major agencies which fund programs and projects on the Reservations. Those agencies being the Indian Health Service, Bureau of Indian Affairs and the Department of Housing and Urban Development.

The fiscal year 1984 appropriations request for the Indian Health Service includes four major items of concern. The Community Health Representative Program is slated for closeout beginning in fiscal year 1984, unless appropriations are made to continue this much needed program on the Reservations. The CHR Program is an intrigal part in the overall Preventative Health Care Program on the Reservations in the East. Preventative health care, although seemingly not as cost effective in appropriations as currative programs, has a more positive impact on the level and health status of Indian people on the Reservations. We can not comprehend the thinking behind the closure of an entire segment of the Preventative Health Care Program on the Reservations in the East.

Another item of great concern is the lack of an identified contract support pool (indirect cost) in the IHS budget request. The quest for self sufficiency and self determination by the Tribes in the East includes contracting, at present for over 50% of the health care being provided on the Reservation. Necessary to this contracting is adequate administrative support dollars that will build the Tribal government infra-structure on the Reservations, allowing them to continue to provide health care for their people. We understand that the decision to delete the administrative cost support line item and include those cost under hospital and clinic line

"Because there is strength in Unity"

items was made in an effort to shroud these necessary cost within the budget. We feel that administrative cost, especially in light of the fact of the increased contracting for health care in the East, is a necessary part of doing business and should be identified and supported within the IHS budget request.

We are concerned that once again, the Indian Health Service has refused to include sanitation facility construction funds so necessary for proper environmental health conditions on the Reservations. We are aware of the intent of the administration to include this as an eligible item to the proposed DHUD Block Grant process. We are concerned that once again, sanitation facilities construction will not be based on need, but will be based on grantsmanship.

The last specific item of concern regarding IHS budget, is the reduction of Indian Health Service Manpower Scholarship Program for fiscal year 1984.

As Indian people continue to assume control over their health systems, the burden of training Indian people rest within the government. Self sufficiency and self determination are mere words if our people can not be trained to assume the positions necessary to provide sound health care.

One final issue that is not directly related to appropriations, but needs to be addressed to your committee, is the continued development of eligibility criteria for health services without Tribal input. The Tribes in the East strongly feel, that eligibility for services is a Tribal sovereignty issue, and that Tribal governments have the legal and moral responsibility to determine who, as a member of their Tribe, should receive services. The issue of blood quantum verses Tribal roles conflicts with the self determination and trust responsibility rights of Tribal governments. We ask that a decision not be made without the proper amount of time and input necessary to study this issue closely. A hasty decision now will have a drastic input on the health status of Indian people far into the future.

The appropriations request for the Bureau of Indian Affairs, also seemingly sound in total, has some specific items which we question. The appropriations request for the Eastern Area budget again lacks an equitable base. The number of Tribes served, and the population within the Eastern Area has increased twofold in the past ten years. This is due to land claim settlements and the Federal Acknowledgement Project within the Department of Interior. The appropriation to the Eastern Area has not kept pace with the increase of service population thereby causing an actual reduction of services available from the existing base. We ask that your committee question the appropriations regarding the Eastern Area and assure those Tribes in the East an equitable share of the resources available within the bureau.

Finally, we are concerned with the mechanism the Department of Housing and Urban Development is choosing to provide safe and decent housing on the Reservations. We feel, that including housing as an eligible activity under the Community Development Block Grant Program will cause this program to place housing on the Reservations based on grantsmanship rather than need. We feel that placing housing in competition with other necessary facilities construction on the Reservations will, in the long run, cost the Federal Government and Tribes more by reducing their inventory of safe and decent housing for Indian people on the Reservations.

In summary, we ask that your committee take a long hard look at the appropriations request for Indian Tribes and Reservation development. Let us not be short sighted and eliminate present sound programs, thereby increasing the need for revenues in the future. Thank you.

Sincerely,

Leonard V. Garrow

Leonard V. Garrow
President

PREPARED STATEMENT OF THE WE INDIANS PROGRAM, MILWAUKEE PUBLIC SCHOOLS, SUBMITTED BY PATRICIA AZZOLINA, SECRETARY

WE INDIANS PROGRAM
(TITLE IV, PART A)
MILWAUKEE PUBLIC SCHOOLS

AN OVERVIEW

WE INDIANS is a federally funded program (Indian Education Act, Title IV, Part A) serving the special and culturally related academic needs of 1,057 Indian students in the Milwaukee Public Schools. The 1982-83 funding level of $190,501 supports ten (10) Indian staff positions in the Milwaukee Public Schools: 1 Program Coordinator, 1 Program Secretary, 1 Cultural Heritage Instructor, 5 Indian Student Advisors and 2 Home-School Coordinators. Since its inception in 1973-74 the program's impact in helping to equalize educational opportunities for Indian children served has been positive and substantial.

1980-82 WE INDIANS statistics show that:

1. 180 K-8 Indian students schooled in their cultural heritage improved their self-image by 22% on a pre-post basis.

2. 150 K-8 Indian students below average in reading achievement increased their average reading achievement scores by an average of a +.6 stanine level over a two-year period.

3. 39 out of 59 or 66% of the 1981 and 1982 Indian graduating seniors obtained post-secondary educational placement.

4. 102 Indian students with severe school attendance problems (more than 30 days absent per semester) in 1979 has been reduced to 34 in 1982 (a 66% decrease).

5. the 9th through 12 grade Indian student dropout attrition rate has been reduced from 50 to 34 students from 1979-1982 or from 59% in 1979 to 41% in 1982.

6. the number of Indian students in high school career specialty programs has increased from 10 in 1980 to 30 in 1982 (from 3% to 20% of total high school Indian students) as a result of WE INDIANS efforts to resolve Indian student school assignments problems under the school district's court-ordered desegregation plan.

7. under court-ordered desegregation plans the WE INDIANS program has assisted parents of 88 Indian students to secure satisfactory school assignments.

8. 535 out of 1,151 or 46% of Indian student school adjustment problem referrals have been successfully resolved for the educational benefit of the Indian students involved.

Rescission and elimination of Title IV Indian education funds will seriously impair and then eliminate national level efforts to equalize educational opportunities for American Indian children, at a time when these efforts are just now coming to fruition.

PROPOSED FEDERAL EDUCATIONAL PROGRAM SUBSTITUTES FOR TITLE IV INDIAN EDUCATION AND THE INDIAN SELF-DETERMINATION ACT (PUBLIC LAW 93-638)

Secretary of Education Terrel Bell's proposal to substitute Chapters 1 and 2 of the Educational Consolidation Improvement Act, Vocational and Adult Education, Bilingual Education, Impact Aid , and all Student Aid programs for the Title IV Indian Education Act ignores the fact that these programs have no accountable linkage with the Indian Self-Determination Act to insure the presence of Indian competence role models wherever Indian children are to be served. Without an accountable linkage to the Indian Self-Determination Act through Congressional legislation and Administrative rulemaking Secretary Bell's and ultimately President Reagan's proposal to substitute these programs for Title IV will result in nothing more then an automatic giant step back into the Congressionally repudiated coercive assimilation policies of cultural amnesia designed to erase Indian children's identity as American Indians and to convert them into easily exploitable human robots. In this context President Reagan's Title IV Indian Education FY-83 budget rescission and his FY-84 cancellations signal his intent to retreat to coercive assimilation policies which Indian Education: A National Tragedy, A National Challenge (1969) summarized as follows:

FROM: Indian Education: A National Tragedy—
A National Challenge

SUMMARY OF HISTORICAL FINDINGS

I. Policy Failure

The dominant policy of the Federal Government towards the American Indian has been one of coercive assimilation. The policy has resulted in:

A. The destruction and disorganization of Indian communities and individuals.

B. A desperately severe and self-perpetuating cycle of poverty for most Indians.

C. The growth of a large, ineffective, and self-perpetuating bureaucracy which retards the elimination of Indian poverty.

D. A waste of Federal appropriations.

II. National Attitudes

The coercive assimilation policy has had a strong negative influence on national attitudes. It has resulted in:

A. A nation that is massively uninformed and misinformed about the American Indian, and his past and present.

B. Prejudice, racial intolerance, and discrimination towards Indians far more widespread and serious than generally recognized.

III. Education Failure

The coercive assimilation policy has had disastrous effects on the education of Indian children. It has resulted in:

A. The classroom and the school becoming a kind of battleground where the Indian child attempts to protect his integrity and identify as an individual by defeating the purposes of the school.

B. Schools which fail to understand or adapt to, and in fact often denigrate, cultural differences.

C. Schools which blame their own failures on the Indian student and reinforce his defensiveness.

D. Schools which fail to recognize the importance and validity of the Indian community. The community and child retaliate by treating the school as an alien institution.

E. A dismal record of absenteeism, dropouts, negative self-image, low achievement, and, ultimately, academic failure for many Indian children.

F. A perpetuation of the cycle of poverty which undermines the success of all other Federal programs.

IV. Causes of the Policy Failure

The coersive assimilation policy has two primary historical roots:

A. A continuous desire to exploit, and expropriate, Indian land and physical resources.

B. A self-righteous intolerance of tribal communities and cultural differences.

NACIE *Concurs.*

RECOMMENDATION

Since Secretary Bell's and President Reagan's proposal to substitute other educational programs for Title IV makes no provision to support the right of Indian citizens to control the educational activities affecting their children as specified in the Indian Self-Determination Act, and, since Title IV so provides, Title IV should be retained over any alternate proposal to the contrary to maintain this basic right of Indian citizens which the Indian Self-Determination Act recognizes and upholds. Furthermore it is recommended that President Reagan's proposed $16 million rescission for fiscal year 1983 be denied and that the appropriations for fiscal year 1984 be set at or above the 1983 level. Further, it is recommended that Congress move to reauthorize the Indian Education Act for another five (5) year period.

INDIAN SELF-DETERMINATION AND EDUCATION ASSISTANCE ACT
(PUBLIC LAW 93-638)
(RELEVANT SECTION)

AN ACT

To provide maximum Indian participation in the Government and education of the Indian people; to establish a program of assistance to upgrade Indian education; to support the right of Indian citizens to control their own educational activities.

CONGRESSIONAL FINDINGS

Sec. 2 (a) The Congress, after careful review of the Federal Government's historical and special legal relationship with, and resulting responsibilities to, American Indian people, finds that—

(1) the prolonged Federal domination of Indian service programs has served to retard rather than enhance the progress of Indian people and their communities by depriving Indians of the full opportunity to develop leadership skills crucial to the realization of self-government, and has denied to the Indian people an effective voice in the planning and implementation of programs for the benefit of Indians which are responsive to the true needs of Indian communities; and

(2) the Indian people will never surrender their desire to control their relationships both among themselves and with non-Indian governments, organizations, and persons.

(b) The Congress further finds that—

(1) true self-determination in any society of people is dependent upon an educational process which will insure the development of qualified people to fulfill meaningful leadership roles;

(2) the Federal responsibility for and assistance to education of Indian children has not effected the desired level of educational achievement or created the diverse opportunities and personal satisfaction which education can and should provide; and

(3) parental and community control of the educational process is of crucial importance to the Indian people.

DECLARATION OF POLICY

Sec. 3 (a) The Congress hereby recognizes the obligation of the United States to respond to the strong expression of the Indian people for self-determination by assuring maximum Indian participation in the direction of educational as well as other Federal services to Indian communities so as to render such services more responsive to the needs and desires of those communities.

(b) The Congress declares its commitment to the maintenance of the Federal Government's unique and continuing relationship with and responsibility to the Indian people through the establishment of a meaningful Indian self-determination policy which will permit an orderly transition from Federal domination of programs for and services to Indians to effective and meaningful participation by the Indian people in the planning, conduct, and administration of those programs and services.

(c) The Congress declares that a major national goal of the United States is to provide the quantity and quality of educational services and opportunities which will permit Indian children to compete and excel in the life areas of their choice, and to achieve the measure of self-determination essential to their social and economic well-being.

DEFINITIONS

Sec. 4. For the purposes of this Act, the term--

(a) "Indian" means a person who is a member of an Indian tribe;

(c) "Tribal organization" means...any legally established organization of Indians...which is democratically elected by the adult members of the Indian community to be served by such organizations and which includes the maximum participation of Indians in all phases of its activities.

WAGE AND LABOR STANDARDS

Sec. 7 (b) Any contract, subcontract, grant, or subgrant pursuant to this Act,...for the benefit of Indians, shall require that to the greatest extent feasible--

(1) preferences and opportunities for training and employment in connection with the administration of such contracts or grants shall be given to Indians; and

(2) preference in the award of subcontracts and subgrants in connection with the administration of such contracts or grants shall be given to Indian organizations and to Indian-owned economic enterprises as defined in section 3 of the Indian Financing Act of 1974 (88Stat. 77).

WINNEBAGO PUBLIC SCHOOLS
P.O. BOX KK
WINNEBAGO, NEBRASKA 68071

February 25, 1983

Honorable Mark Andrews, Chairperson
Select Committee on Indian Affairs
6317 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Andrews:

As elected members of the Title IV Parent Committee of Winnebago and parents of Indian children in the Winnebago Public School, we are writing to you for these reasons: 1) to state our adamant opposition to President Reagan's proposal to reduce Title IV funding in FY 1983 and to "terminate" the program in FY 1984; 2) to clarify for you and your colleagues that while Indian parental involvement in the education process is increasing and the academic skills of Indian chilren are improving, both of these developments are in their initial stages reequiring an extension of Title IV support services; 3) to provide you and your fellow legistlators with a small sampling of data, collected for our Title IV program over the last three years, which substantiates the fact that our program has been very successful in meeting its objectives without duplicating other services such as those provided by Chapter One and JOM.

We respectfully request that you enter this enclosed material into the record as testimony with the Senate Select Committee on Indian Affairs and with the House and Senate Appropriations Committees which recently held hearings on Indian Education Programs. On each of the enclosed items we have provided a brief explanation of the item and what the data indicates about our program. We ask, also, that you continue your commendable support of Indian education by working to insure that Title IV is reauthorized and that Title IV funding is not further reduced. We welcome any question you may have about our program, about our belief that its continued existence is crucial to our students and Indian parents, or about the success we have had with our Title IV activities. We also invite you to visit our project should you ever have opportunity and inclination to do so.

Sincerely,

Mary E. McKeegan
Mary McKeegan, Chairperson

Jeanie Eagle
Jeanie Eagle, Vice-Chairperson

Pat Free
Pat Free, Secretary

Ruby Bellanger
Ruby Bellanger, Member

Robert J. Grebel
Robert Grebel, Member

Title IV Parent Committee